



The Yemen Review

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Showdown in Shabwa Shakes Government

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The Sana'a Center for Strategic Studies

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Cover Photo:

Reinforcements from the UAE-backed Giants Brigades prepare to seize a Special Security forces camp in Ataq city, Shabwa governorate, on August 10, 2022, // Sana'a Center photo

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Summary

Long-running tensions between the Islamist Islah party and UAE-backed groups in Shabwa erupted into open conflict in August, with the Giants Brigades and STC-aligned Shabwa Defense forces driving Islah-aligned military and security forces from the governorate. The expulsion of Islah from Shabwa and the STC's subsequent takeover of much of neighboring Abyan governorate raised questions about the ability of the Presidential Leadership Council (PLC) to resolve tensions between anti-Houthi parties and the nature of any future peace deal. Despite being extended on August 2, the UN-brokered truce between the government and the Houthi movement saw its first major violation later in the month when Houthi forces attempted to take control of the last major government-controlled road out of Taiz city, prompting widespread international condemnation and the government's withdrawal from UN-facilitated talks in Amman.

Although the pledged Saudi-Emirati financial aid to the government remains stalled, the exchange rate in government-held territory has remained relatively stable, with the rial even appreciating somewhat following PLC head Rashad al-Alimi's visits to Abu Dhabi and Riyadh in the middle of the month. Despite this, and news of the resumption of grain shipments from Ukraine under a UN-backed deal, issues remain around food price affordability and fuel availability.

The Sana'a Center Editorial

Saving the Truce

The five-month-old truce in Yemen has been a net good for Yemenis and preserving it should be a priority. After more than seven years of ruinous war, the truce has brought the relief of quiet frontlines, the suspension of air strikes, the reopening of the port of Hudaydah for fuel shipments, and the resumption of civilian air **flights** in and out of the capital. Still, it has been far from perfect. There have been a host of small-scale skirmishes and surreptitious movements of men and equipment, particularly around Taiz and Marib. On August 25-26, Houthi forces launched an attack in Taiz in an attempt to seize the last major government-controlled road into the city, prompting the internationally recognized authorities to pull out of talks in Amman and provoking a sharp condemnation from the UN special envoy. Still, Yemenis are intent that the current cessation of violence should not unravel.

That possibility now looms larger, although August saw the warring parties sign on for another two-month extension, having been unable to agree on the proposed six-month extension being pushed by the United States with the support of Saudi Arabia. Those talks reached stumbling blocks on the same issues that have plagued negotiations since the start of the truce – the government's demand to reopen roads around Taiz in line with the original agreement to open ports and roads first, the Houthi insistence post-truce on putting payment of state salaries before that, and a resolution to this problem of sequencing. The Houthis had previously rejected a UN proposal for the phased reopening of roads in Taiz and other governorates, a proposed mechanism to pay public sector salaries in Houthi areas, and the expansion of flights from Sana'a airport. Last week's military operation in Taiz tends to confirm the view that Houthi forces are preparing for the truce to end; if it does, they will likely act in Taiz to try and preempt any moves by pro-government forces on the West Coast, and make another push for Marib's oil fields, with the aim of ensuring a resource base to increase the viability of a Houthi-controlled state in northern Yemen. The expansion of Southern Transitional Council (STC) power throughout the south after ejecting Islah-affiliated forces from Shabwa in August could encourage the Houthis to sue for a peace that effectively splits the country in two.

There are still dynamics on both sides that could push for keeping the truce alive. Despite the hard line taken by the Houthi movement, they are under pressure to alleviate the economic deterioration within their territories, which risks stirring dissent among a population that appears ever less willing to accept that war means a duty to stay silent. In a sign of such tensions, Houthi leader Abdelmalek al-Houthi recently warned against protests and strikes over salaries and services in a televised speech. With fighting in the south exposing rifts within the Presidential Leadership Council (PLC), its head Rashad al-Alimi is in desperate need of a win. If a win involves a prolonged peace that keeps Houthi drones and missiles out of Saudi airspace, then Alimi's main external backer in Riyadh will want it too. In other words, there is an opening to nudge the parties toward cooperation rather than conflict.

It is possible to discern the outlines of a compromise. If Houthi authorities concede that roads must be reopened as part of the peace dividend for ordinary people that the truce has provided, then the government should prioritize agreement on demands regarding salaries. Those demands have centered on a mechanism similar to the one employed in the 2018 Stockholm Agreement, in which both parties agreed that revenues from the port of Hudaydah should be deposited into an account at the Central Bank of Yemen in Hudaydah under UN supervision. That agreement failed as the Houthi side siphoned off funds for military purposes and salaries went unpaid. Mediators need to seize the initiative in pushing further to ask the parties to consider how a salary payment mechanism could work – to lay down the specifics of what percentage of total costs would come from which revenue streams, and which party is responsible for them. Those revenue streams could include, for example, Hudaydah's ports, oil and gas, business taxes, telecoms, and civil aviation, and the agreed amounts could be placed in a trust account overseen by an independent body. While the de facto authorities in Sana'a collect more internal revenue than the government, the latter has access to donor cash that could allow it to take on the largest share of the salary bill.

If an agreement along these lines can be reached, it might not only save the truce – which, it cannot be overemphasized, is the priority for millions of Yemenis – but also create a model for resolving other issues currently preventing a wider settlement and set the country on the path forward. For one, it could strengthen the hand of moderates in Sana'a who would be able to point to the economic benefits of working things out rather than constant confrontation. It is obvious that the temptations on both sides to give up the grinding work of diplomacy are many, but we should not lose sight of the fact that the opportunity for a negotiated settlement remains very real. There is a nexus of internal factors and calculations that could, on the one hand, lead to the truce unraveling, or, on the other, through the right curation and guidance, further entrench it and guarantee a continuing peace. Now is not the time to lose focus.



A deputy principal addresses students during morning assembly August 8, 2022, at Zaid Al-Mushki School in Taiz, marking the start of the new school year //Sana'a Center photo by Ahmed Al Basha

Politics & Diplomacy

Truce Extended, But Under Strain

On August 2, Yemen's warring parties agreed to extend the country's ongoing truce for an additional two months, until October 2. The deal came after intensive shuttle diplomacy by the UN and the US, and the arrival of an Omani delegation in Sana'a on July 31. UN Special Envoy Hans Grundberg was unable to secure terms for a broader six-month truce deal, which included proposals to reopen roads in Al-Dhalea, Sa'ada, and Taiz; establish new mechanisms to pay public sector salaries in Houthi areas; expand destinations from Sana'a airport to include India, Cairo, Amman, and Doha; and create a new committee for dialogue and reconciliation. The expanded truce proposal was largely accepted by the government, but was rejected outright by Houthi authorities, although both parties agreed to work towards reaching an expanded truce agreement in the interim.

A major sticking point remains the payment of salaries, with Houthi authorities insisting on using a mechanism similar to the one employed in the 2018 Stockholm Agreement, in which both parties agreed to deposit revenues from the port of Hudaydah into an account at the local branch of the central bank under UN supervision. The Houthis later unilaterally accessed the Hudaydah funds, allegedly channeling the money for military purposes, and the salaries went unpaid. Houthi intransigence on the issue also appears to reflect a concern about popular unrest in light of general economic deterioration – authorities likely feel pressure to be seen fighting for peoples' livelihoods, and the salary negotiations offer an opportunity to do so.

The truce came under increased strain at the end of the month after Houthi forces launched an attack near Taiz in an attempt to seize control of the last major government-controlled road out of the city. The attack took place on August 28-29, during meetings of the UN-backed Military Coordination and Taiz Road committees in Amman, and resulted in the government pulling out of the Military Coordination Committee on August 30 and prompted an uncharacteristically direct condemnation from UN Special Envoy Hans Grundberg on August 31.

Developments in Government-Controlled Areas

PLC Cohesion Rattled Following Shabwa Crisis

The PLC faced the most serious crisis of its brief tenure in August, as fallout from intra-coalition fighting in Shabwa threatened to destabilize the government, jeopardize the ongoing truce, and reshape the contours of a future negotiated settlement. On August 8, heavy fighting broke out between Islah-aligned security forces and UAE-backed, STC-aligned Shabwa Defense Forces in Ataq city. With the assistance of the UAE-backed Giants Brigades, pro-Islah forces were driven out of Ataq by August 11. Subsequent military and political developments saw UAE-backed forces take control of positions in northern Shabwa, reaching the Shabwa-Hadramawt border by August 21.

The political implications of the Shabwa clashes were immense. In response to its losses in the governorate, the Islah party hinted it would withdraw from the Yemeni government if the PLC did not set up a neutral committee to investigate the clashes (the party rejected a government inquiry including Giants Brigade and STC representatives) and remove UAE-backed Shabwa Governor Awadh Bin al-Wazir al-Awlaki. Islah-affiliated PLC member Abdullah Al-Alimi reportedly went so far as to request official letterhead to draft his resignation from the council, although he ultimately submit it, and Marib Governor Sultan al-Aradah, who maintains close ties with Islah, refused to attend PLC meetings in protest of the government's perceived efforts to empower the STC. Concerningly for Islah, its humiliation did not rouse any dissent from Saudi Arabia. While the UAE has long sought to remove Islah from power and is the primary backer of the rival STC, Saudi silence may indicate a newfound acceptance of Emirati priorities in southeast Yemen. Despite its declining influence, the Islah party remains popular in a number of key areas and commands the loyalty of strategically placed troops in areas like Marib and Taiz. Whether or not it leaves government, moves into opposition, or even comes to a separate understanding with the Houthis, its diminishing relative power could destabilize and delegitimize what has, until now, served as a wartime national unity government.

PLC head Rashad al-Alimi also seems to have lost stature in the Shabwa clashes, with the recently-appointed head of the Yemeni government appearing increasingly hostage to the political dictates of his external backers and their military proxies. Alimi has no real constituency or military forces of his own and owes his position to past cooperation with Riyadh and the closed-door Saudi and Emirati process that birthed the PLC. While this may make him well-placed to impartially coordinate and moderate disparate interests on the council, he lacks the political capital to pursue much-needed structural reforms or the military capacity to unify southern forces and turn back the Houthis. Unwilling or unable to balance the competing parties, Alimi appears to have thrown in his lot with the faction that currently wields the most power – the STC. But this perceived favoritism carries the threat of isolation, as evidenced by Alimi's seeming inability to mobilize the members of the PLC to forestall or resolve the Shabwa crisis. After the clashes subsided, Alimi left Aden on a trip to Abu Dhabi and Riyadh, nominally to hasten the arrival of the US\$2 billion in promised financial support from the Saudi-led coalition, but likely also to try and shore up his position. Alimi has also continued his efforts to ease tensions with Islah leaders.

The big winners of the events in Shabwa were undeniably UAE-backed groups, especially the STC, which succeeded in taking an important southern governorate with substantial oil resources. The group has not been coy about its hopes to one day control of all of southern Yemen.

On 23 August, days after UAE-backed forces completed the takeover of Shabwa, STC-aligned forces seized the coastal town of Shuqra in Abyan governorate from pro-government forces. The move was made under the guise of a counterterrorism campaign, and contradicted direct orders from PLC head Alimi. With UAE-backed groups now along Shabwa's northern border with Hadramawt governorate, there has been speculation they could seek to move into Wadi Hadramawt, an oil-rich area home to the Islah-aligned First Military Region, and Al-Mahra governorate, an area controlled by Saudi-led coalition forces.

However, despite possessing a common backer, the two UAE-backed forces which drove Islah out of Shabwa, the STC and Giants Brigades, have discrete political loyalties. The Giants Brigades are commanded by Abdelrahman Abou Zaraq al-Maharrami, a Salafi and member of the PLC, who sees his forces as the army of the Yemeni republic. Abou Zaraq is also notably respectful to Alimi, who appears to be his closest ally on the council. Alimi, Zubaidi and Abou Zaraq are currently the three most powerful men on the PLC. To date, Alimi has made concession after concession to Zubaidi and the STC, but, as demonstrated by the recent fighting, the coalition's power dynamics remain fluid. With the Giants Brigades now holding Shabwa's oil fields, domestic competition between the Emirati-backed groups could be on the rise.

Further STC gains could have massive implications for any future peace settlement. Since 2014, the Houthis' territorial ambitions in Yemen have appeared insatiable. The brief conquest of Aden and repeated offensives to acquire southern territory suggested the movement's aim was nothing short of unification under Houthi rule. But they may no longer be committed to the conquest of Yemen. The STC's secessionist agenda might make them an ideal counterpart for the redivision of the country, and the events in Shabwa make them appear an even more credible partner in such an endeavor. Should the STC continue to gain ground in the south, the long-term prospects of a unified Yemen will grow dimmer.

Political Shakeup in Hadramawt

In addition to the Shabwa crisis, the government saw continued political change in favor of UAE-backed groups in neighboring Hadramawt governorate, where PLC member Faraj al-Bahsani relinquished even more power following his removal as Hadramawt's governor in favor of the UAE-linked General People's Congress MP Mabkhout bin Madi on July 31. Although removed as governor, Bahsani initially retained his position as head of the Second Military Region, covering coastal Hadramawt, and signaled he intended to remain active in local politics by chairing a meeting of the Second Military Region leadership on August 9. However, these plans were apparently dashed on August 13, when the PLC issued a presidential decree replacing Bahsani as commander with Brigadier Fa'az Mansour Qahtan. While Bahsani retained his position on the PLC, it is unclear exactly how much influence he will continue to wield without the financial resources of the Hadramawt governorship or the military power of the Second Military Region.

Following his accession, Governor Bin Madi moved to limit the fallout from the recent conflict in Shabwa and insulate his oil-rich governorate from the fighting. On August 22, Bin Madi met with the Executive Committee of Hadramawt General Meeting Outcomes, a gathering of local civil society groups to discuss management of the governorate's natural resources, corruption, and how to improve popular support for the local authorities. In an August 25 address to the Hadramawt General Meeting Committee, Bin Madi expressed support for popular demands to extend the control of the Hadrami Elite forces all over the governorate – including Islah-controlled Wadi Hadramawt.

This echoed an August 9 statement from the Hadramawt General Meeting Outcomes announcing its resolution to form the “Hadramawt Defense Forces,” which it claims will include 25,000 personnel following the clashes in Shabwa. The ouster of Islah forces in Shabwa has brought the continued presence of First Military Region forces in Wadi Hadramawt – which are seen as dominated by Islah figures and loyalists to former Vice President Ali Mohsen al-Ahmar – to the fore. Protests on August 26 in Seyoun, where the First Military Region is based, gave all the impression of being an STC and Emirati attempt to agitate the situation in their favor.

Developments in Houthi-Controlled Areas

Houthi Areas See Continued Tribal Unrest

Tribal unrest in Houthi-held territories, perceived to be on the increase in recent months, continued in various governorates in August.

In Al-Bayda, a number of local tribesmen, thought to be former soldiers in the government 173rd Infantry Brigade, ambushed a Houthi vehicle in the area of Zalqah, in Nate’ district, northern Al-Bayda. The tribesmen opened fire on the military supply vehicle, gravely wounding a driver. On August 18, clashes erupted between the Houthis and Qayfa tribesmen from the Al-Jawfi family in the village of Al-Hattam in Radaa district, western Al-Bayda. The fighting began as Houthi forces tried to stop armed tribesmen of the Al-Jawfi family from firing on the houses of the Al-Qadthi family in Radaa. The Al-Jawfi family accuses a member of the Al-Qadthi family, a pro-government military leader, of killing one of its members in Marib. One man from the Al-Jawfi family was killed and another injured in the fighting.

On August 12, Houthi forces stormed the home of a local tribal sheikh in the Bait Baus area in southern Sana’a city. Jamal Ahmed Saeed al-Ma’eedhi was kidnapped, according to his brother, who told local news agencies that 20 Houthi militants stormed the house, causing panic among the women and children present. Al-Ma’eedi is reportedly being held in an unknown location as punishment for refusing to help the group recruit new fighters.

On August 24, a dispute over agricultural lands broke out between the Al-Faqman subtribe of the Hamdan tribe and the Al-Hamad subtribe of the Dhu Hussain tribe in southern Al-Hazm district. Abdel Wahed al-Aji Munif, a prominent figure in the Al-Hamad subtribe, was killed in the ensuing clashes. Prominent sheikhs and influential community leaders from the Hamdan and Bani Nawf tribes intervened to halt the conflict and secure a truce for eight days. The conflict is expected to negatively affect tribal and civil society in the area, given that the parties to the conflict are some of the most influential tribes in Al-Jawf.

Professor Imprisoned Over Salary Payment Demands

A university professor was forcibly disappeared in Sana’a after calling for an open strike by public sector employees until their salaries are paid. Ibrahim al-Kibsi, of Hashemite descent, was reportedly abducted by the group after he wrote on Facebook that he was receiving threats from the Houthis in response to his writings. Al-Kibsi was later released and allowed to return to his home, although he has not made any public statements since his detention. Dissatisfaction over unpaid salaries is growing, but the Houthis have deflected blame elsewhere. On August 16, **hundreds of employees** organized a protest in front of the UN office in Sana’a to demand it pay their overdue wages.

In a televised speech on August 23, Houthi leader Abdelmalek al-Houthi warned residents in Houthi-controlled areas against demanding salaries and services, claiming that such calls are a cover for sowing unrest and chaos. Al-Houthi has issued similar warnings previously.

Russia Receives Houthi Representatives in Moscow

On August 10, a Houthi delegation headed by chief negotiator Mohammed Abdel Salam traveled to Moscow to meet with Russian Deputy Foreign Minister Mikhail Bogdanov, who has overseen Yemen policy for the last several years. The delegation notably included the Governor of the Central Bank of Yemen in Sana'a, Hashim Ismail, and followed a June trip to Tehran. In an interview following the visit, Abdel Salam – who has visited Russia several times, most recently in 2019 – noted there had been “real changes in the Russian position and the realization that Yemen can be a strategic influence.” Bogdanov met with the Emirati and Saudi ambassadors to Russia on August 18 and September 1, with the readout from the latter meeting mentioning discussions of events in Yemen.



Forces affiliated with the Southern Transitional Council move through the Khobar Al-Maraqsha area near the town of Shuqra in Abyan governorate on August 23, 2022, during Operation Spears of the East // Sana'a Center photo

Military & Security

UAE- and STC-Affiliated Forces Win the Second Battle for Shabwa

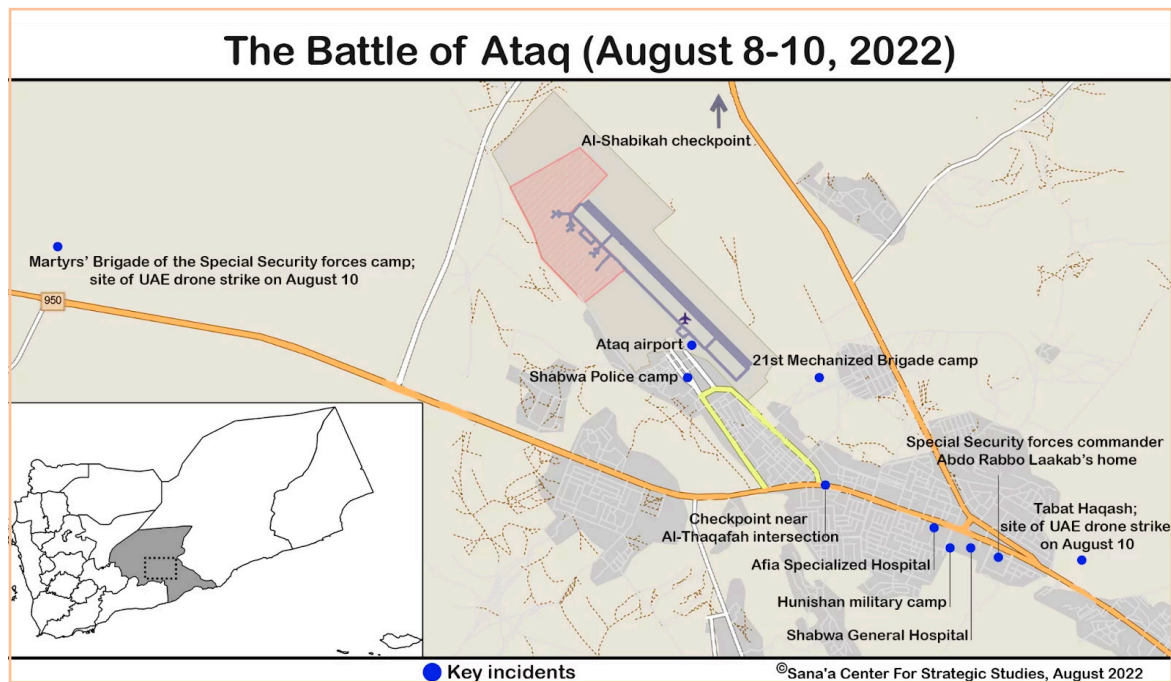
The most prominent military developments in August concerned intra-PLC clashes in Shabwa governorate between Islah-aligned and UAE-backed forces. The roots of the Shabwa fighting extend back to late July, when clashes between Islah-aligned government security forces and the STC-aligned Shabwa Defense forces culminated in the July 19 assassination attempt of Islah-aligned commander Abdu Rabu Laakab, who the UAE viewed as the kingpin of opposition to their presence. As a result of the clashes, UAE-backed Governor Awadh Bin al-Wazir al-Awlaki suspended Laakab and commander of the Shabwa Defense forces Second Brigade, Wadji Baoum, with the PLC authorizing Bin al-Wazir to take action to stabilize the situation. On August 6, Awlaki officially replaced Laakab with Colonel Ahmed Nasser al-Ahwal, but the Special Security forces prevented Al-Ahwal from entering the group's Martyrs' Camp, west of Ataq, asserting that the governor had overstepped his authority and that such appointments could only be issued by Interior Minister Ibrahim Haidan, who countermanded Bin al-Wazir's decision.

Large-scale clashes broke out in Ataq on August 8 after the killing of the commander of the Rapid Intervention forces of the pro-Islah Ataq Military Axis, Colonel Ahmed Lashqam Al-Barassi. Lashqam, who was involved in the July clashes, was killed at a new checkpoint near the Al-Thaqafah intersection after clashes broke out between the Giants Brigades and the 30th Infantry Brigade of the Ataq Military Axis. After Lashqam's death, violent clashes erupted across the city between pro-Islah forces and the Giants Brigades and Shabwa Defense forces.

Pro-Islah elements of government forces in Marib mobilized independently and attempted to link up with Special Security forces in Ataq, but were repelled on August 8 and 10. After heavy fighting, Shabwa Defense forces took control of the Hunishan military camp, affiliated with the pro-Islah Ataq Military Axis, on August 8.

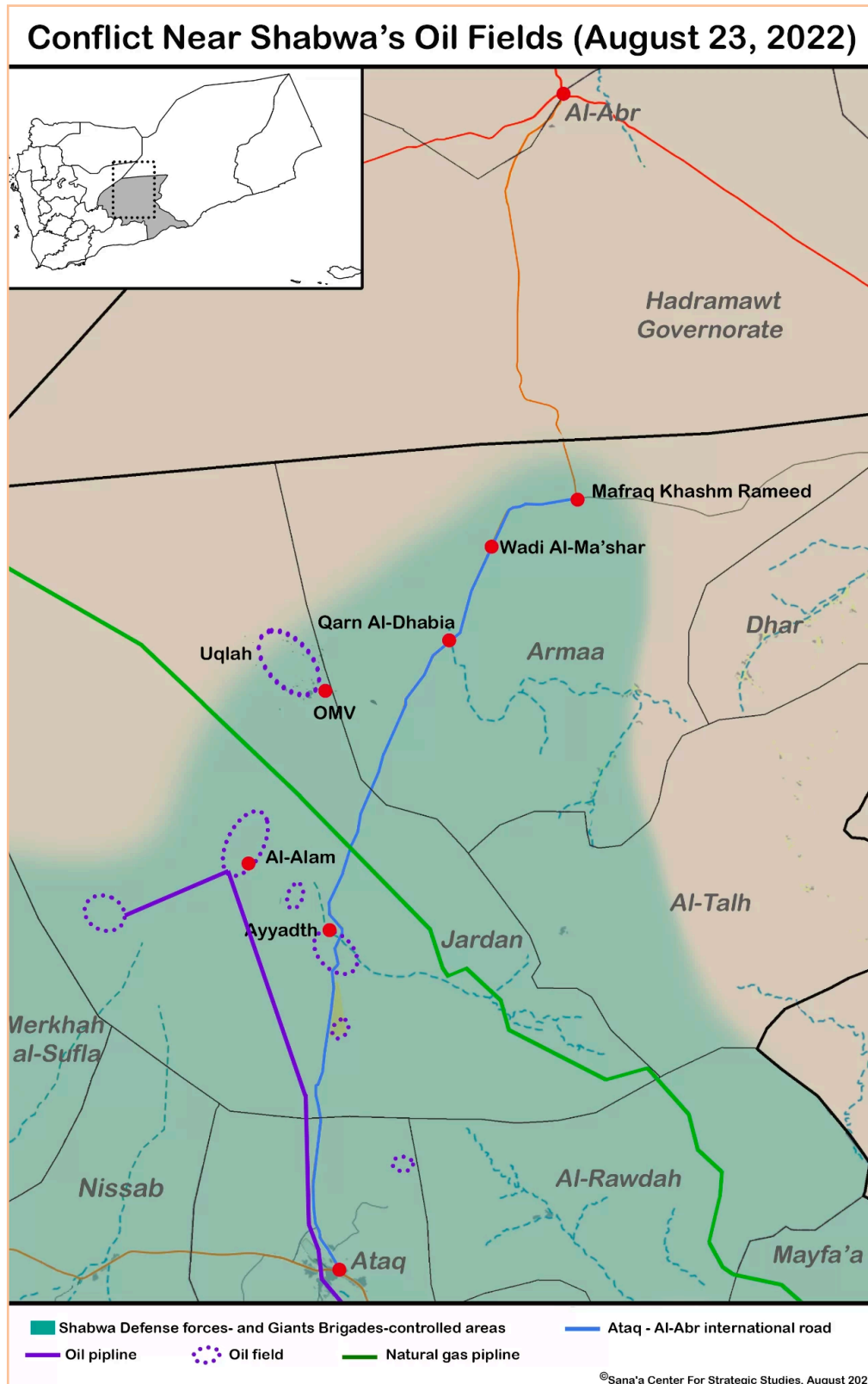
Attempting to resolve the crisis, the PLC held an emergency meeting to discuss security developments in Shabwa on August 8, hoping to stabilize the situation with new appointments to the leadership of military, police and security forces. Brigadier General Adel Ali bin Ali Hadi al-Musabi was installed as commander of the Ataq Military Axis and the 30th Armored Brigade, replacing Brigadier General Aziz al-Atiqi; Brigadier General Fouad Mohammed Salem al-Nassi was named Director General of the Shabwa governorate Police, replacing Brigadier General Awad al-Dahboul; and Colonel Mohayyem Mohammed Nasser was appointed Commander of the Special Security forces, replacing Brigadier General Abd Rabbo Laakab. The new appointees were believed to be politically close to their predecessors.

Despite these efforts, heavy clashes continued in Ataq city on August 9-10. Governor Awlaki addressed a statement to several governorate military and security leaders demanding they cease fighting and calling their participation a direct rebellion. The clashes quickly turned in Awlaki's favor: the 11th and 12th Giants Brigades, supported by Emirati drone strikes, fully engaged in the fighting after positions hosting Emirati forces, including Ataq airport and the governor's house, came under attack. On August 10, fighters of various Islah-affiliated brigades withdrew from Ataq, and local tribal fighters took their places at major checkpoints. Special Security forces soldiers in Rudum district handed over their camp and its security checkpoints to the 2nd Marine Brigade after locals brokered an agreement, and Southern Resistance forces took over the 2nd Mountain Infantry Brigade camp and all checkpoints in Mayfa'a district. Commanders of pro-Islah groups reportedly fled Shabwa to Marib, and the majority of their troops returned to their homes or fled to other parts of the governorate.



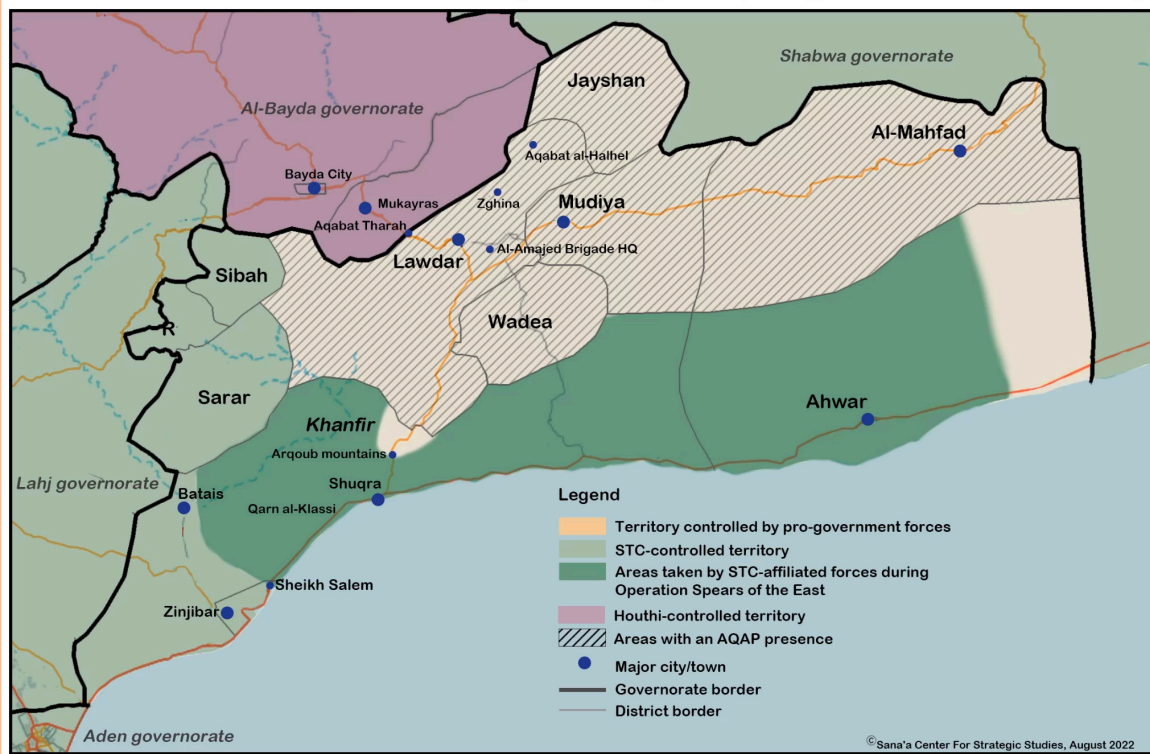
On August 12, pro-Islah forces in the desert outside Ataq shelled positions of Giants Brigade forces at the Murah military camp and in the areas of Naukhan and Al-Shabeeka in northern Ataq. The Giants Brigade responded and fighting between the groups ensued. The same day, heavy clashes erupted in Al-Naq'a'h area, near the oil fields of Ayyadth in Jordan district. Both parties used heavy weapons and aerial drones were reportedly employed to target pro-Islah positions. Giants Brigade forces took advantage of the air support to advance toward the oil fields.

By August 15, UAE-backed Shabwa Defense and Giants Brigade forces had reached the International Road that links Shabwa to Al-Abr in Hadramawt. On August 21, after a PLC-ordered ceasefire and redeployment, they also took control of important sites in northern Shabwa, including Mafrag Khashm Rameed on the strategic route between Shabwa and Hadramawt and the oil fields in Armaa and Jordan Districts.



As of late August, fighting in Shabwa appeared to have subsided, although on August 27 security forces loyal to Governor Awlaki claimed to have thwarted an IED attack on the governor's convoy on the road linking Ataq and the Nisab district. All told, the clashes in Shabwa claimed dozens of lives, although exact figures remain unclear. Earlier in the month, AP [reported](#) that 35 people were killed in the fighting. According to Shabwa governorate health office figures, 19 were killed and 82 were injured, including seven civilian deaths and 30 wounded. However, this latter estimate likely undercounts casualties from pro-Islah forces, given that the governorate's main hospital sites were under the control of UAE-backed groups. Some speculated that fighting would spread into Islah-controlled Wadi Hadramawt, but PLC chief Rashad al-Alimi directed the Giants Brigades and Shabwa Defense forces to remain within the administrative borders of Shabwa and warned that any military or security force that did not abide by the instructions of the governor of Shabwa would be considered a rebel force.

STC Forces Take Territory in Abyan (August 23-27, 2022)



Abyan

In addition to the clashes in Shabwa, moves by STC-aligned forces in neighboring Abyan governorate upended a long-running frontline in favor of the secessionist party. On August 23, days after the fighting in Shabwa had subsided, the STC began deploying forces toward eastern Abyan governorate, which contained Islah-aligned government forces, under the guise of a counter-terrorism campaign. The STC continued with the operation despite explicit orders from PLC head Alimi. Within a day, STC-aligned forces had taken control of the coastal town of Shuqra, which had been the main government stronghold in clashes with the STC in recent years, as well as Ahwar and the road leading to Abyan's interior. Shuqra was turned over by the Joint Forces of the Abyan Military Axis after local mediation secured the withdrawal of government-aligned forces. In return, pro-government Special Security forces and General Security forces were allowed to return to their bases in Abyan's capital Zinjibar.

On August 27, Governor Abu Bakr Hussein said that STC and pro-government commanders had agreed to confront terrorism together under the leadership of the PLC, the Ministry of Defense, and the Ministry of the Interior. The UAE-backed Giants Brigades appeared to be coordinating the joint manning of checkpoints in Abyan with STC-affiliated forces and the government's Presidential Protection Brigades.

The new division of territory in Abyan appears to be a partial step toward implementing the 2019 Riyadh Agreement, which sought to deescalate frontlines in Abyan and unify STC and pro-government forces. Following the further spread of STC forces throughout Abyan, the head of the Saudi-led coalition forces, Mohammed Nasser al-Fahadi, led a military delegation to the coalition's Amajed Brigades in northern Abyan, in what appeared to be a political message to the STC to stay out of the area. Saudi Arabia does not want the STC to take positions in northern Abyan, which would risk bringing Houthi forces into the conflict.

Further to the north in Abyan, fighting continued between Houthi forces and pro-government and Southern Resistance forces, with sporadic clashes reported along the Aqbat Tharah frontlines in Lawdar district earlier in the month. A humanitarian breakthrough was reported on August 18, when local mediation efforts led by Sheikh Yasser Jahlan of Mukayras district succeeded in re-opening the Al-Halhal Road connecting Mukayras district with Lawdar district in Abyan. The Houthis and Southern Resistance forces agreed that the road will be open on Monday, Wednesday, Friday, and Saturday, between 6 a.m. and 6 p.m. However, midway through the STC redeployment in Abyan, Houthi forces blew up a bridge on the strategic Aqabat al-Halhel road, likely fearing that STC-affiliated forces deployed to Abyan could move north toward Mukayras.

Truce Violations

Despite the extension of the truce on August 2 and the ostensible continuation of its armistice component, low-level clashes and troop redeployments were recorded across multiple frontlines. The first significant violation of the truce took place on August 28-29, when the Houthis attacked Wadi al-Dhabab, to the west of Taiz, seeking to cut the last government-controlled road to the city. Houthi leaders also oversaw several large military parades throughout August, with a large buildup of Houthi forces in Hudaydah at the end of the month, prompting a rebuke of Houthi military action from the UN Mission to Support the Hudaydah Agreement on August 30.

Taiz

On August 28, the first major violation of the UN-brokered truce occurred in Al-Dhabab, on the outskirts of Taiz city, when Houthi forces launched an hours-long attack to seize control of the only major road connecting the city to the interim capital Aden. The surprise move followed weeks of military mobilization around Taiz, and was likely driven by concerns that Tareq Saleh's forces on the west coast could stage an operation in coordination with the pro-Islah Taiz Military Axis to move against Houthi-held areas in Taiz, including the Hawban industrial zone, a major source of tax revenue for the Houthis. At least 10 pro-government soldiers were killed in the clashes, prompting the government to pull out of the UN-backed Military Coordination Committee on August 30. The Houthi action also strengthened the view that their immediate priority if the truce collapses will be the Taiz region, though mobilization in Marib indicates that reopening the fight to take the governorate's oil fields could also be high on their agenda.

Following direct orders from now-former defense minister Mohammed Ali al-Maqdashy and National Resistance Forces leader Tareq Saleh, the Taiz Military Axis continued a systematic campaign to remove military units billeted in civilian buildings in Taiz city throughout August. Troops from the Taiz Military Axis vacated the Ahmed Faraj School in northwest Taiz City on August 3, and the 5th Presidential Protection Brigade vacated the Faculty of Medicine building at Taiz University in the Sabir al-Mawadim district of Taiz city on August 9, handing it over to the Saudi Development and Reconstruction Program for Yemen. Officials and military forces appropriating civilian buildings and homes has been an issue across many areas of Yemen, and individual governorates have attempted to address the problem with mixed success. Previous initiatives in Taiz had failed to dislodge the troops, but the new campaign has made several arrests to enforce the decision. Saleh's visit to the city and championing of the removal efforts are likely intended to garner local support for himself and the PLC.

Hudaydah

On August 30, the UN Mission to support the Hudaydah Agreement (UNMHA) issued a statement of "great concern" over "the significant military presence in Hudaydah city" in recent days. The statement represents a rare critical direct rebuke of Houthi actions by the UN mission.

Eritrean harassment of Yemeni fishermen is reported to have increased in recent months, with Houthi authorities claiming 139 Yemeni fishermen are now being held by Eritrean forces. Following a years-long dispute between Yemen and Eritrea over control of the Hanish Islands, an international arbitration court granted Yemen sovereignty in 1998. Eritrea still contests a number of the islands and fishing rights in the Red Sea. Its navy has abducted hundreds of Yemeni fishermen and seized numerous fishing boats since the start of Yemen's war.

Al-Dhalea

Fighting between Houthi forces and pro-government and Southern Resistance forces continued throughout August in Al-Dhalea, with clashes and shelling reported in the Qaatabah and Murais districts. The Houthis have notably intensified drone strikes on the frontlines in Al-Dhalea. On August 18, a Houthi drone targeted the pro-government 2nd Al-Saiqa Brigade in the area of Hajar, with drone strikes reportedly hitting a number of civilian houses. Aerial drones were reportedly employed again by the Houthis on August 21, targeting pro-government forces in the Qaatabah district and in Bab Ghalq and Habeel al-Abdi. Between August 25 and 27, Houthi forces launched a series of drone attacks on pro-government troops stationed in the Bitar and Al-Jab areas of the Hajar front, and in the Tabat Othman al-Fakher area in northwest Qatabah district. At least one pro-government soldier was killed and several others were wounded.

Landmines

Landmines remain a deadly problem in several areas, with increasing civilian access to frontline areas driving increased casualties. In Al-Bayda governorate, multiple incidents resulting in civilian casualties were reported in Zahir District, with at least one civilian killed in the governorate's Al-Sawma'ah District on August 1. Mines also remained the largest threat to civilians in Hudaydah governorate, where mines injured several and killed at least five civilians in incidents in Al-Durayhimi, Al-Tuhayta, Al-Hali, and Bayt al-Faqih districts. On August 11, two children were killed after a landmine exploded in a house in Marib city. A child had brought home the landmine, believed to have been dislodged by flooding. A man and another child were badly wounded in the explosion.



A shipment of wheat flour from the WFP being offloaded at Hudaydah port, June 25, 2019 // Photo Credit: Abduljabbar Zeyad

The Economy & Finance

WFP Secures Ukrainian Grain Shipment for Yemen

On August 23, the Yemeni government's Minister of Industry and Trade Mohammed al-Ashwal **stated** that Yemen has stocks of wheat sufficient to cover approximately four months of consumption during a meeting with the Chamber of Commerce and commercial traders and importers in Aden. Al-Ashwal said that Yemen was establishing supply lines to import wheat from several countries, including Romania and France, and noted ongoing discussions to import wheat from Russia and Ukraine via Turkey. A **document** allegedly leaked from the Ministry of Trade and Industry on August 12 showed that Yemen had secured access to 176,000 tons of wheat, sufficient to address domestic needs for two and a half months, comprising 70,000 tons in current stocks plus 106,000 tons to be imported in August and September.

On August 30, the World Food Programme (WFP) **announced** that a WFP-chartered cargo ship carrying 37,000 metric tons wheat grain had departed a Ukrainian port bound for Yemen. The shipment will be milled into flour in Turkey before moving on, part of a July 22 agreement between Moscow and Kyiv, co-signed with the United Nations and Ankara, to resume grain shipments disrupted by the Russian invasion of Ukraine. Last year, Yemen imported 45 percent of its wheat from the two countries. The August 30 shipment is the second WFP food aid delivery to leave Ukraine since the Russian invasion in February.

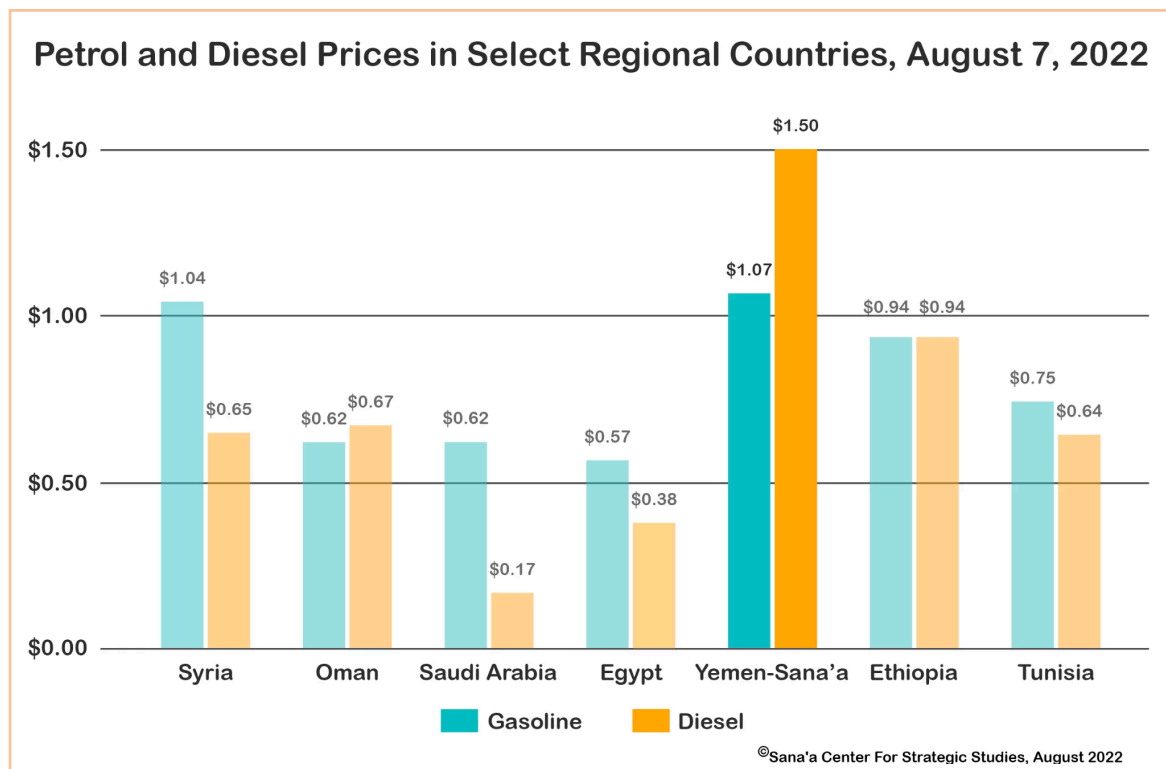
In its Yemen Food Security Update for August, the WFP **reported** that food access for Yemenis remained highly constrained. The cost of the minimum food basket rose by 74 percent and 38 percent in government- and Houthi-controlled areas, respectively, over the past 12 months. Due to funding shortages, WFP has been forced to reduce its food rations for the fourth distribution cycle of 2022.

Government, UN, Seek to Reduce Import Costs

On August 4, the government's minister of transportation, minister of planning and international cooperation, and central bank governor held a **meeting** with the resident representative of the United Nations Development Program to discuss ways to reduce the cost of insurance for commercial ships entering Yemeni ports. A statement following the meeting said that the cost of marine insurance has increased roughly 16-fold compared to the pre-conflict period, as Yemen's ports have been classified as "high risk." The meeting floated the idea of a mechanism by which the government would make an insurance deposit with the London P&I Club, a multinational insurance conglomerate, with the aim of reducing insurance fees for commercial ships entering Yemeni ports. Reduced insurance costs would lower import costs for traders – savings which could then be passed on to consumers.

Petrol Prices and Diesel Shortages Ease in Houthi-Held Areas

On August 6, in response to declining global fuel prices, the Yemen Petroleum Company (YPC) in Sana'a **reduced** the official price of petrol by 14 percent, from YR700 to YR600 per liter, and the price of diesel by 8 percent, from YR750 to YR690 per liter. However, fuel prices in Houthi-controlled areas are still among the highest in the region, particularly with regard to diesel. This likely indicates that Houthi levies and taxes associated with fuel imports and sales are highly profitable for the group.



Following the renewal of the truce in early August, the diesel shortage in Houthi-controlled regions eased somewhat. Houthi authorities, however, continued to blame the Saudi-led coalition for creating supply bottlenecks by preventing tanker vessels from offloading at the port of Hudaydah.

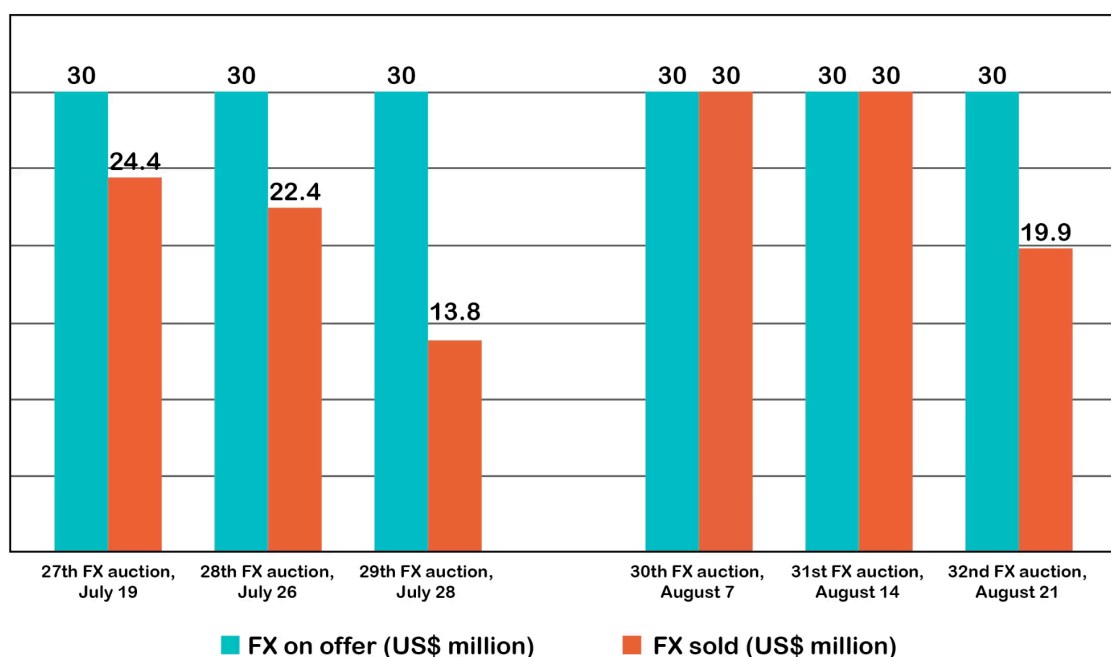
As the Sana'a Center Economic Unit [previously noted](#), diesel vessels that have reached Houthi-held territory during the truce period have likely carried sufficient diesel to meet normal market demand. Market shortages are thus likely due to the YPC-Sana'a intentionally limiting the supply of diesel at official fuel stations, possibly to build up strategic reserves for Houthi military operations, which has in turn caused recurrent shortages and wide divergences in prices at official, commercial, and black-market fuel stations.

Expected Rial Appreciation Dampens Bank Appetite for FX

The exchange rate of both new and old Yemeni rial banknotes remained relatively stable in government- and Houthi-held areas for the month of August, with some appreciation in government-held areas following PLC head Alimi's visit to UAE and Saudi Arabia. At the beginning of the month, the government's new rial banknotes were trading at an average of YR1166 per US\$1. They appreciated by 5 percent over the month, closing at YR1110 per US\$1. In comparison, old rial banknotes in Houthi-controlled areas traded within a narrow band around YR560 throughout the month.

During the course of August, the CBY-Aden held four foreign currency auctions, at which it offered up a total of US\$120 million for commercial banks to purchase. Each auction saw US\$30 million up for sale, with the first two, on August 7 and 14 respectively, fully subscribed. However, commercial bank engagement then declined: the auction on August 21 was only 66 percent subscribed, and the one on August 30, the 33rd of 2022, was the worst performing of the year, with only 20 percent of the foreign currency on offer sold. The expectation of renewed rial appreciation appeared to be a significant factor disincentivizing banks from participating, as it would reduce the marginal currency premium banks earn between the preferential exchange rate offered at the auctions and the parallel market exchange rate. As of the end of June, the CBY-Aden had allocated US\$537 million through the Refinitiv platform-based foreign currency auctions to fund basic commodity imports.

CBY-Aden Currency Auctions



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PLC chief Rashad al-Alimi traveled to UAE on August 15, and then on to Saudi Arabia on August 20. His meetings focused partly on accelerating the handover of a US\$3 billion economic support package – US\$2 billion in CBY-Aden support, and \$US1 billion for development projects – promised after the formation of the PLC in April. CBY-Aden Governor Ahmed Bin Ghaleb accompanied Alimi on the trip. According to an August 20 report by Saudi TV channel Al-Hadath, Bin Ghaleb said a Saudi-Emirati deposit would be delivered to CBY-Aden “in the coming days,” noting that financial support would help the government stabilize the rial and create a conducive environment for deeper reform. However, as of August 31, the promised financial support had not materialized. The stability of the currency continues to be at risk due to the CBY-Aden’s dwindling access to FX reserves. Riyadh and Abu Dhabi have demanded governance reforms before they will release the promised support to the government-controlled central bank.

Government Reports Revenue Growth in First Half of 2022

The CBY-Aden’s [Economic and Monetary Developments Report](#), released in August and covering the first half of 2022, indicated that the government’s public budget recorded improvements in its fiscal position. While the report contained several errors, the Sana’a Center Economic Unit was able to verify the following figures:

- Hydrocarbon revenues increased by 34 percent, to US\$739.3 million in the first half of 2022 from US\$551.7 million over the same period last year. The increase was mainly driven by the rise in global fuel prices, but also by the government adopting a policy of evaluating the public budget based on its hard currency revenues.
- Non-hydrocarbon revenues (tax and customs) increased by 238 percent, from YR114 billion to YR386 billion, over the same period. The report indicated that public expenditures increased to YR1,102 billion from YR638 billion, which can also be attributed to the government’s revised calculations. Recurrent expenditures represented 99.4 percent of the total public expenditures in the first half of 2022, of which 33 percent were public salary payments.

The clashes in oil-rich Shabwa and the possibility they could spread to the other oil-rich governorates of Marib and Hadramawt in early-to-mid August raised concerns about a potential suspension of oil and gas production and its effects on public revenues. Although the effects of the clashes appeared to be contained, local media reported clashes at least temporarily affected oil production in the S2 field in the Al-Aqla area of Shabwa’s Jordan district. If a larger suspension of oil and gas production were to take place, it would have severe consequences for government revenues, given that oil exports, while substantially below pre-conflict levels, are by far its largest domestic source of revenue.

STC President Becomes Head of Government Resource and Revenue Committee

On 14 August, PLC head Rashad al-Alimi [announced](#) the formation of the Supreme Committee for Financial Resources and Revenue Development. The committee is to be headed by PLC member and STC president Aidarous al-Zubaidi. Al-Zubaidi’s appointment received widespread public criticism, as it was seen as further empowering the secessionist group in areas technically under the government’s control, where high levels of public revenue leakage are already rampant. According to Al-Alimi, the newly formed committee would have full purview over public resources and is charged with developing plans to increase the state’s capacity to collect revenues. On July 31, the PLC announced its intention to form two other high-level committees, one for central and local revenues, and another for development and reconstruction projects.

CBY-Aden Seeks Consolidation in the Money Exchange Industry

On August 4, the CBY-Aden issued [Resolution No. \(58\) of 2022](#), amending several articles of Resolution No. (14) of 2021 regarding the regulation of money exchange outlets. The amendments aimed to tighten licensing requirements for money exchange businesses and limit the number active in the market by increasing their minimum capital requirements, financial guarantees, and annual licensing fees. According to the decree, money exchange companies must now hold YR1 billion as a minimum capital requirement, and another YR500 million in cash guarantees with the CBY-Aden to ensure legal compliance, plus pay YR20 million in annual licensing fees. In addition, for each branch in excess of nine, money exchange companies must pay another YR100 million – YR50 million in capital requirements and YR50 million in cash guarantees. Money exchange shops – defined as single owner, single outlet enterprises – must now hold YR500 million as a minimum capital requirement and another YR150 million as a cash guarantee to be deposited into the CBY-Aden. Hawala agents, which are legally licensed to operate in remote areas only, are subject to YR100 million and YR20 million in minimum capital and cash guarantee requirements, respectively. The resolution gave money exchange companies and shops until 2025 to fulfill the requirements.

The measures are aimed at curbing the proliferation of small exchange shops and promoting consolidation within the industry, which should theoretically help the CBY-Aden reduce currency speculation. Yemen has suffered a liquidity crisis since 2016, which has initiated a massive migration of financial flows from commercial banks to money exchange operators, spurring their enormous proliferation. This, in turn, has had an outsize impact on exchange rate volatility, particularly in government-controlled areas. While the decree is ostensibly a positive step to rein in rampant currency speculation, it conflicts with Houthi industry regulations and, given that most exchange companies operate nationwide, could cause further conflicts in the monitoring and regulation of the market. It is also highly doubtful, given the CBY-Aden's limited capacity to monitor the industry, that the regulations will be effectively implemented or enforced.

On August 10, the Aden Exchange Society, representing money exchange companies operating in the city, issued a [statement](#) asking the CBY-Aden to reconsider the [resolution](#). The statement said that the new decree would put a great financial burden on the money exchange sector, deepen the country's already poor economic and humanitarian crises, and negatively affect financial stability and the rial exchange rate.

CBY-Sana'a Ups Capital and Ownership Criteria for Microfinance Banks

On August 21, the Houthi-controlled Central Bank of Yemen in Sana'a (CBY-Sana'a) issued two resolutions aimed to regulate microfinance banks. Resolution No. 2 of 2022 increased the minimum capital requirements for microfinance banks operating in the country from YR500 million to YR5 billion. Microfinance banks have five years to meet the new capital requirements. Within one year, microfinance banks must hold no less than YR2.6 billion, and then allocate at least 25 percent per year over the next four years to satisfy the new requirements. Microfinance institutions also have the freedom to meet the requirements utilizing their accumulated reserves. The second decree, Resolution No. 3 of 2022, amended Resolution No.

12 of 2010 regarding the executive bylaws of Microfinance Bank Law No. 15 of 2009, setting more stringent requirements for partners and owners of money exchange establishments to become shareholders in microfinance banks. The decree states that money exchangers must liquidate their established money exchange businesses and give up licenses granted by the central bank in order to be eligible.

The CBY-Sana'a's new requirements followed similar regulations announced by the CBY-Aden in March, increasing capital requirements for commercial and Islamic banks to YR45 billion, and microfinance banks to YR5 billion, within the next five years. The introduction of regulations to raise capital requirements for financial institutions has been driven by several factors. The capital currently held by financial institutions and mandated by pre-conflict legal frameworks has substantially diminished in real value given the dramatic depreciation of the Yemeni rial since the war began. Commercial traders, businessmen, and money exchangers have increasingly competed for licenses to become microfinance banks, which would allow them to accept deposits and grant financial loans. By law, money exchangers are not allowed to take deposits or provide credit loans, however, money exchange outlets have assumed many of the functions legally reserved for banks since the start of the conflict, becoming the dominant source of cash liquidity to the market.

Government, Houthis Wrestle Over Telecommunications Sector

On August 14, PLC member Aidarous al-Zubaidi, following a meeting with Director General of the Public Telecommunications Corporation Wael Tarmoom, affirmed the need to relocate national telecommunications hubs to Aden. Al-Zubaidi said Houthi authorities continue to control the telecommunications sector and utilize its revenues to finance their military efforts. Zubaidi is head of the STC, which dominates security in the interim capital. The government began intensifying measures to assert authority over the telecommunications sector in April, when its Public Funds Prosecution office in Aden ordered the Yemeni-Omani company YOU (formerly MTN) to pay YR24.24 billion in arrears for the years 2015, 2016, and 2017. After the company failed to comply, the government closed its operations in Aden in late June, with the suspension remaining in place as of this writing. In the past month, the government also demanded access to the control center of the Yemen Mobile Company, the country's largest mobile network operator, claiming it aimed to prevent Houthi forces from using the network for military purposes.

On August 16, the Syndicate Committee of the Public Telecommunications Corporation (PTC) in Sana'a released a **statement** accusing the Houthi-run finance and civil service ministries of violating laws and undermining its financial and administrative independence, and threatened to strike in response. The two Houthi-controlled ministries have been attempting to regulate how the PTC can spend its budget and administer telecommunications operations. Established laws and regulations grant the PTC full financial, administrative, and organizational independence. It is not subject to the Ministry of Finance's authority to control expenses and revenues for public ministries and institutions, nor the Ministry of Civil Service's purview over human resource capacities within government entities. According to the Syndicate's statement, the actions taken by the finance and civil service ministries in Sana'a could result in catastrophic consequences, including lost revenues and the potential suspension of telecommunications and internet services to commercial and financial businesses, health facilities, and the public at large. The Syndicate warned that it would take all necessary measures to defend the telecommunications sector and its employees, including announcing a complete and immediate strike.

Houthi Authorities Increase School Fees

In Houthi-held areas, on August 18 the [Houthi Zakat Authority](#) implemented a new measure to increase the cost for families to send their children to private schools. According to an allegedly leaked document issued by the Zakat Authority in Dhamar governorate, each student attending a private school will now be required to pay YR1,000. The Houthi Zakat Authority has targeted a wide spectrum of resources and income channels in the public and private sectors in order to extract funding from citizens, inflating the costs of necessities and essential services.



Owners of shops and stalls on the main street of Al-Khawkhah city in southern Hudaydah gather on August 10, 2022, to clean up debris following heavy rain and flooding in the area. // Sana'a Center photo by Anwar Al Shareef

The Environment

Summer Flooding Affects Thousands

Flooding continued to devastate areas across Yemen in August, with at least 51,000 households reportedly affected since April 2022. In mid-August, a spokesperson from the Houthi Supreme Council for Management and Coordination of Humanitarian Affairs announced that in the areas under their jurisdiction, 91 people had been killed and close to twenty-five thousand families affected by flooding and heavy rains over the past few days. One hundred and forty houses were completely destroyed and about 1,360 had their roofs collapse. The total number of affected houses is around 5,700.

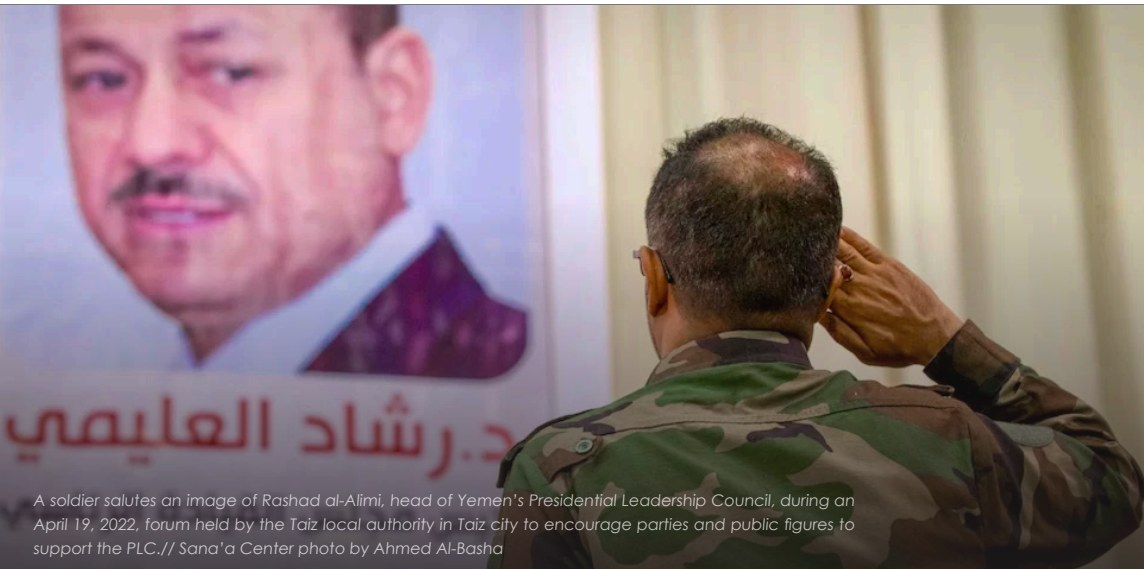
A large number of houses were either partially damaged or collapsed in different parts of Sana'a. In the Old City, heavy rain caused severe damage to the roofs of many houses, and residents feared their homes would collapse if the rains continued. On Tunis Street, in the south of Al-Thawra district in Amanat Al-'Asimah, a house inhabited by four families collapsed. No injuries were reported, but the families were displaced and temporarily housed by the Houthi Zakat Authority. In Al-Sa'adi neighborhood in eastern Al-Safiyah district, heavy rains caused the partial collapse of a house inhabited by three tenant families.

In addition to the flooding, lightning strikes reportedly killed 13 and injured more than 25 in Houthi-held Hajjah and Amran governorates.

Communications in the Al-Hazm district of Al-Jawf governorate were cut off completely on August 2 due to heavy rains and flooding, with more than ten houses reported destroyed and a number of others damaged by the floodwaters. In neighboring Marib, the executive unit for internally displaced persons (IDP) camps requested urgent humanitarian assistance on August 6, after heavy rains and flooding battered 20 camps, affecting more than 16,000 families. It described the situation as catastrophic. According to the appeal, many housing units were completely destroyed. Heavy rain fell for 48 hours on August 5 and 6, causing significant agricultural damage in the area of Wadi Qarn in Al-Abdiyah district in southern Marib.

At least six farms saw their wheat, qat, and vegetable crops destroyed. Five other farms in the area of Al-Mathooth and Al-Ashah in Al-Melahah sub-district were partially affected.

In Hudaydah, heavy rains fell on Hays district on August 9, with floodwaters descending from the hills toward Al-Khawkhah district, damaging 442 houses and killing two children in Al-Abeed neighborhood and a woman in Al-Babli IDP camp in the east of the district. The floods swept away large parts of Al-A'lili and Al-Jashah IDP camps. New construction of houses for influential military leaders in the Wadi area, in the natural path of floodwaters, has led to the water being redirected into residential areas not typically affected, resulting in significant damage and casualties. In the villages of Al-Mesbar and Al Qwaser, in eastern Al-Marawi'ah district, some 200 families were in need of urgent humanitarian assistance due to flood damage, with at least one woman killed and 10 families seeing their homes totally collapse. In Al-Qwaser, homes of IDPs from Al-Durayhimi built from wood and straw were swept away. Heavy rain also fell on the areas of Deer Awaidan and Deer al-Najary in eastern Al-Qanawis district, in the north of Hudaydah. In Deer Awaidan, 16 houses and four school rooms were heavily damaged, and 165 houses sustained partial damage. In Deer al-Najary, seven houses were heavily damaged and 200 more affected. The head of the Supreme Authority for Relief confirmed the death of a man who was swept away by the flooding.



A soldier salutes an image of Rashad al-Alimi, head of Yemen's Presidential Leadership Council, during an April 19, 2022, forum held by the Taiz local authority in Taiz city to encourage parties and public figures to support the PLC.// Sana'a Center photo by Ahmed Al-Basha

Commentary

Avoiding the Fate of a Powerless President

Maysaa Shuja Al-Deen

Former President Ali Abdullah Saleh was in many ways an absolute ruler, exercising his authority in a manner that often exceeded his constitutional powers. In doing so he was following the traditional practice of governance since the era of the Imams, which the republic in effect inherited and adapted. Now the tables have turned and Yemen has moved from being ruled by a president with absolute powers to a figurehead who serves the interests of powerful external and internal forces.

Following Saleh's removal from power in 2012 and the appointment of Abdo Rabbu Mansour Hadi as a consensual leader through the Gulf Cooperation Council Initiative, Yemen's political elite expected Hadi to assume the role of a ruler with absolute powers, according to traditional practice. But Hadi's weak personality meant he was unable to meet expectations at a critical juncture in Yemen's history.

After the two-year transitional period of Hadi's rule, during which he met with more foreign ambassadors than Yemenis, there began a new phase during which the president was stripped of his powers altogether following the Houthi takeover of Sana'a in September 2014. Houthi plans initially involved keeping Hadi in place as a cover for their power grab, a role Hadi accepted, even if it meant embarrassing himself before the public, such as when the **Houthis publicly rejected** his choice of prime minister in October 2014.

Their relations deteriorated in January 2015 when Hadi tried to pass a draft constitution enshrining a six-region federal system opposed by the Houthis. Though the draft wasn't final, the Houthis reacted violently, kidnapping the director of Hadi's office. The Presidential Protection Brigade, the largest army force in Sana'a at the time, collapsed in ensuing clashes.

After refusing to sign a decree appointing a Houthi-aligned vice president, Hadi fled to Aden in February 2015, then to Oman and Saudi Arabia. Riyadh launched Operation Decisive Storm on March 26, and while Hadi remained president for more than seven additional years, he was powerless, providing no more than a cover of legitimacy for the coalition and its military operations in Yemen. When Hadi was ousted through Saudi fiat on a Ramadan night in April, nobody, including his closest circle, felt sorry for him.

Rashad al-Alimi, Hadi's successor, was appointed chairman of the Presidential Leadership Council (PLC), a body comprising seven other members that each represents a socio-political region or armed force. This is not the case for Alimi himself. The PLC chairman hails from a disputed territory, Taiz, and does not have any armed force under his direct control. So although Alimi holds the keys to power on the PLC, he does not have the means on the ground to assert his authority.

It is perhaps difficult to compare the circumstances under which Hadi became president to those under which Alimi became head of the PLC. Hadi took office at a time when the president exercised absolute powers in people's minds, and had control of state institutions, the army, and security agencies. He also enjoyed international and local support. Under Alimi, however, the powers of the president have been dissolved into a collective leadership council, a body fraught with division and lacking its own armed force on a par with the numerous militias in existence.

Most importantly, this council lacks the legitimacy that was Hadi's only leverage vis-à-vis the Saudi-led coalition, enabling him on occasion to engage in political maneuvers. Since this council was engineered by the two leading states of the coalition, Saudi Arabia and the UAE, keeping these countries pleased is essential for its members to keep their positions.

It wasn't long before the muffled tensions between the PLC members began to surface, leading to the recent battle for control over the oil-rich Shabwa governorate between UAE-backed and Southern Transitional Council (STC)-aligned forces on the one hand and Islah-dominated army and security forces on the other. STC-aligned forces also control Aden, the interim capital where the PLC chairman and members are meant to reside. Word has it that the STC president Aiderous al-Zubaidi treats other PLC members as guests, but given that they are under the "protection" of his armed forces, hostages may be a more appropriate characterization.

In view of this, the PLC chairman faces two scenarios. One is that he functions as a figurehead leader, acting as a cover for the STC's aim of extending its absolute authority over all of southern Yemen. This would be a similar situation to that of Hadi when he was in Sana'a at the mercy of Houthi militias. The outcome of this trajectory is already known. In less than four months, Hadi had to resign for fear of being removed or even assassinated.

The second possibility is for Alimi to impose authority and exercise his full powers as the chairman of the PLC. This is not an easy task and requires a great deal of patience, courage and political imagination, which may be lacking for someone who spent his entire career working as a technocrat in the shadows.

Alimi should be well aware that the PLC is an extension of the end of his predecessor's era. Although Hadi rose to power through legitimate means and he enjoyed recognition at the international level, his national legitimacy gradually eroded until it became non-existent at the end of his rule. This was a natural outcome of Hadi's preoccupation with international legitimacy and the fact that he spent seven years as president outside the country. But the authority he gained was no more than the gift of external powers, conditional upon serving their interests.

In view of the unprecedented exercise of government functions from abroad during the Hadi years, it is important for the PLC's members to be present in Aden. But so far Alimi has spent most of his time visiting other countries, running the risk of repeating the fatal mistake of his predecessor. These long visits abroad give the impression that Alimi, like Hadi, is preoccupied with international recognition as his priority.

Alimi must earn legitimacy at the national level so that he has the authority needed for exercising his powers and avoids being a fig leaf for other players. This legitimacy can only be earned through fulfilling the minimum basic economic and service needs of the people. It is true that the council has been frustrated by the lack of any external financial support and the failure of Saudi Arabia and the UAE to fulfill their financial pledges. However, by rationalizing spending and using all sources of income available to the government, the council and its chairman have it in their power to improve conditions to some extent.

The disruption of state institutions in areas under the government's control is a major problem that has led to the spread of more corruption and waste of the state's limited resources. This disruption can be partly attributed to the lack of institutional structures caused by the over-centralization of the Saleh era. The fragmentation only worsened during the war through random appointments based on loyalty and nepotism and other forms of irresponsible governance.

Institutional work must be restored and unnecessary appointments must be stopped to reduce this wastage of resources and financial corruption plaguing a country reduced to dependence on foreign aid. Alimi must act as a leader and give priority to exercising his functions from Aden, the actual seat of the government. Rather than being seen primarily in the company of foreign leaders and officials, he should visit Yemeni governorates under the control of the government to get a closer look at local problems and build ties with Yemeni society.

If Alimi continues the practices of his predecessor and spends most of his time abroad relying on international recognition to remain in office, he should bear in mind that his fate could be even worse than simply becoming a powerless figurehead. His predecessor was forced out of his capital by the Houthis; if the STC eventually decides they no longer require Alimi's cover, history could repeat itself.

Maysaa Shuja al-Deen is a senior researcher at Sana'a Center for Strategic Studies. Her writing and analyses have been featured in many media outlets such as Jadaliyya, Assafir al Araby, al Araby al Jadeed, and Al-Monitor.

This issue of the Yemen Review was prepared by (in alphabetical order): Ryan Bailey, Nick Brumfield, Casey Coombs, Andrew Hammond, Khadiga Hashim, Abdulghani Al-Iryani, Yazeed Al-Jeddawy, Maged Al-Madhaji, Farea Al-Muslimi, Elham Omar, Spencer Osberg, Ghaidaa Al-Rashidy, Susan Severeid, Maysaa Shuja Al-Deen, Ned Whalley and the Sana'a Center Economic Unit.



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