



The Yemen Review

July 2022

Government Instability Overshadows Truce

July 2022



The Sana'a Center for Strategic Studies

is an independent think-tank that seeks to foster change through knowledge production with a focus on Yemen and the surrounding region. The Center's publications and programs, offered in both Arabic and English, cover diplomatic, political, social, economic and security-related developments, aiming to impact policy locally, regionally, and internationally.

Cover Photo:

Cars traveling on the mountainous Al-Aqrodh road, the primary route linking government- and Houthi-held areas in Taiz governorate, on July 8, 2022. The trip from Taiz city center to the Hawban industrial area, which took less than 15 minutes before the war, now lasts approximately six hours. Ongoing UN-led negotiations have failed to secure an agreement for the reopening of roads in Taiz, despite it being a key provision of the truce agreed in April. // Sana'a Center by Ahmed Al-Basha.

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Executive Summary

Long-running tensions between the Islamist Islah party and the Southern Transitional Council boiled over in Shabwa in July, as political disputes over security posts devolved into clashes between their affiliated forces. Government efforts to assuage the parties were unsuccessful, setting the stage for a battle over the capital, Ataq city, in early August. The Shabwa tensions overshadowed agreement on a two-month extension of the UN-brokered truce between the government and the armed Houthi movement, though sporadic violations continued. A proposed six-month extension fell apart over disagreements on road reopenings, air travel and payment of public sector salaries.

The Presidential Leadership Council announced a cabinet reshuffle at the end of the month, replacing the heads of four ministries. The new appointees were all southerners, approved by the STC, in a nod to the substantial power wielded by the movement. The government also appointed new governors of Hadramawt and Socotra; the latter is the STC's top man on the island. Meanwhile, Houthi authorities continued to profit handsomely from the exorbitant cost of fuel in areas they control while also attempting to convince consumers that the Saudi-led coalition is to blame for sky-high prices at the pump..



Truce Extended Until October 2

Casey Coombs

On August 2, the parties to the conflict agreed to a **two-month truce extension** under the existing terms. The deal comes after intensive shuttle diplomacy by the UN and the US, and the arrival of an Omani delegation to Sana'a on July 31. The extension includes a commitment by the parties to work toward an expanded, six-month truce, which UN Special Envoy Hans Grundberg failed to secure amid mutual suspicion and disagreements over the phased reopening of four roads (two in Al-Dhalea, one in Sa'ada, and the Sofitel road in Taiz city), payment of public sector salaries in Houthi-held areas, and the expansion of flights from Sana'a airport to include India, Cairo, Amman, and Doha. Grundberg also proposed the creation of a new committee for dialogue and reconciliation. While the internationally recognized government largely accepted the terms of the six-month UN proposal, Presidential Leadership Council (PLC) head Rashad al-Alimi refused to meet with Grundberg on July 25, signaling a refusal to make further concessions. Houthi authorities rejected the terms outright.

PLC Announces Cabinet Reshuffle

Al-Alimi announced a cabinet reshuffle on July 28 encompassing four ministries: defense, oil, electricity and public works. All four new appointees were southerners acceptable to the Southern Transitional Council (STC), in line with the informal alliance within the PLC between Al-Alimi and STC head Aidarous al-Zubaidi. Although not affiliated with the STC, new defense minister Lieutenant-General Mohsen al-Daeri is from Al-Zubaidi's hometown of Al-Dhalea city and is seen as a neutral figure who enjoys good relations with Saudi Arabia. The new oil minister, Saeed al-Shamasi, is a Hadrami technocrat who has served in government, most recently as deputy oil minister.

New electricity minister Manea Benyamin is a technocrat affiliated with the STC, who previously served as minister of public works, while the appointment of Salem al-Aboudi from Al-Mahra as new public works minister ensures continued Mahri representation in government – the previous electricity minister hailed from the governorate. Contrary to expectation, Al-Alimi kept in place Interior Minister Ibrahim Haidan, a native of Abyan governorate who is close to former president and fellow Abyani Abdo Rabbu Mansour Hadi. This was primarily down to worries that removing two influential Abyanis in short succession could stir resentment in the governorate and disturb the delicate balance of power in the south.

New Governors Appointed in Hadramawt, Socotra

On July 31, Al-Alimi appointed new governors of Hadramawt and Socotra. The head of the STC in Socotra, Rafat Ali Ibrahim Al-Thaqali, was **selected** for the top post on the island, reinforcing the group's hold after driving out former Governor Ramzi Mahrous in an armed rebellion in June 2020. In Hadramawt, General People's Congress (GPC) parliamentarian Mabkhout bin Madhi **replaced** Faraj al-Bahsani, a member of the PLC and head of the Second Military Region. While Al-Bahsani will retain the latter posts, which include command of the Hadrami Elite forces, the loss of the governor's seat greatly diminishes his access to the governorate's financial resources and thus reduces his ability to maintain the loyalty of the armed forces. Al-Bahsani, who developed a reputation as a particularly corrupt official, was notified of the shakeup during a recent visit to Riyadh. After initially rejecting the decision, according to media **reports** from Aden, the government-run Saba news agency reported that Al-Bahsani had returned to Hadramawt's capital Mukalla and called on residents to rally around the new governor. On August 7, during his first **press conference** as governor, Bin Madhi said that his administration's attention would be focused primarily on improving the provision of services, and noted that he would turn a new page on government relations with the local media.

A week before he was dismissed, Al-Bahsani had announced **changes** to several key positions in the governorate, in what appeared to be an effort to further centralize control from his base of power in Mukalla. Among the officials suspended for unspecified "administrative violations" were Abdelrahman Belfas al-Kathiri, director of the Yemen Oil and Gas Cooperation's branch in the Wadi Hadramawt and Desert region, and Esam bin Habrish al-Kathiri, deputy governor for Wadi Hadramawt and Desert Affairs. There has been tension between Al-Bahsani and Esam Al-Kathiri for some time, related to the latter's affiliation with the Islah party and former Vice President Ali Mohsen Al-Ahmar, and his control of oil-rich Wadi Hadramawt as a semi-autonomous zone within the governorate.

Tareq Saleh Meets Islah-Affiliated Military Commanders, Opens Political Office in Taiz City

On July 9, PLC member and UAE-backed military commander Tareq Saleh [met](#) with top military officials in Taiz governorate, including the commander of the Taiz Military Axis, Major General Khaled Fadhel, and military advisor Brigadier General Abdo Farhan al-Mikhlaifi, also known as “Salem.” Held in Taiz’s southeastern Al-Turbah district near the border of Lahj governorate, the meeting was also attended by Taiz governor Nabil Shamsan, who is a member of the GPC party but is supportive of Islah. The gathering has been seen as a confidence-building step between the adversarial military camps, which control different parts of Taiz, but both of which oppose the Houthi movement. Saleh is commander of the National Resistance forces based along the governorate’s Red Sea coast around the port of Al-Mokha, while the Islah-affiliated Taiz Military Axis controls Taiz city and much of the countryside in the south-central part of the governorate.

Less than two weeks after the meeting, Saleh [opened](#) an office of the National Resistance Forces’ Political Bureau in Taiz city on July 21. The inauguration was attended by Taiz’s deputy governor and Islah member Abdelqawi al-Mikhlaifi, as well as local representatives of other political parties in Taiz, including the Nasserist and Socialist parties. Saleh and the governor, Shamsan, were [pictured](#) attending Eid al-Adha prayers together in Taiz.

In May 2021, Saleh and Shamsan held their first direct [meeting](#). Five months later, in October, a top leader in the Islah party in Taiz, Dhia al-Haq al-Ahdal, was [assassinated](#) after signaling support for an alliance between National Resistance forces and the Taiz Military Axis to fight Houthi forces. The STC has watched warily as the two northern factions mend ties, viewing a potential alliance as a threat to its base of power in the south, but necessary to advance against the Houthis. Although the secessionist STC has stated its willingness to partner with the National Resistance forces against the Houthis, it has resisted political inroads by Saleh’s pro-unity loyalists into the southern governorates of [Shabwa](#) and [Aden](#).

PLC Chief Shakes Up Judiciary

On August 4, Al-Alimi announced a number of judicial appointments as part of broader governance reforms being spearheaded by the PLC. Issued in two decrees (available [here](#) and [here](#)), the appointments included leadership roles in the Supreme Court, the Supreme Judicial Council (SJC) and the Judicial Inspection Board (JIB).

The Supreme Court, Yemen’s final court of appeal, is [composed](#) of a president, two deputies and about 50 judges. The nine-member SJC is the [highest judicial authority](#), whose members include the President of the Supreme Court, the Minister of Justice, the Attorney General and the JIB. Both the SJC and the JIB are designed to serve oversight and governance functions in the judiciary.

The appointments reflect an attempt by Al-Alimi to reassert the authority of the internationally recognized government’s judicial institutions, which have been undermined by the emergence of parallel Houthi institutions and STC pressure during the war. The appointment of southerners to leadership roles in the three judicial bodies addresses some of the [demands](#) of the pro-STC Southern Judges Club, which [threatened](#) to take over some of the authorities of the SJC in August 2021.

Prominent southerners appointed to leadership positions include **Lahj native** Judge Mohsen Talib Abu Bakr Al-Houshabi, appointed head of the SJC, Abyan native Ali Atbush Awad, appointed Secretary-General of the SJC, **Aden native** Sahel Muhammad Hamza Nasser, appointed vice president of the Supreme Court and Judge Nazim Hussein Salem Bawazir, a **founding member** of the Southern Judges Club, appointed head of the JIB and as a member of the Supreme Judicial Council.

Four of the judges who were replaced were **appointed** by Al-Alimi to the Shura Council: Hammoud Abdulhamid al-Hatar, head of the Supreme Court; Dr. Ali Nasser Salem, head of the Supreme Judicial Council; and Supreme Court members Ali Awad Nasser and Ahmed Omar Bamatrif.

Developments in Houthi-Controlled Territory

Houthis Shift to Islamic Calendar

On July 4, Houthi media reported that the head of the Supreme Political Council (SPC), Mahdi al-Mashat, had announced the group's transition from the Gregorian calendar to the Hijri, or Islamic calendar, for all state functions starting July 30, which marked the first day of the Islamic year.

The implementation of such a decree, however, faces significant technical, financial and legal hurdles, among them that all state functions have relied on the Gregorian calendar for decades. It is likely that Houthi authorities will enforce the use of the Hijri calendar side by side with the Gregorian, with schools and some state institutions that don't deal with the outside world most likely to fully adopt the former.

Houthis Shutter Radio Station After Court Allowed its Reopening

On July 11, Houthi gunmen raided the headquarters of a local radio station, Voice of Yemen Radio, and confiscated its equipment, following a court ruling that authorized the radio station to resume operations six months after Houthi authorities closed its doors. The owner of Voice of Yemen Radio, Majali al-Samadi, **said** in a series of Facebook posts that the forces who stormed the radio station are affiliated with the Houthi-run Ministry of Information and the Nasr Police Department in Sana'a's Haddah neighborhood, just west of the radio station's office in Al-Safiah neighborhood. Al-Samadi **posted** a photo of a court ruling issued four days earlier authorizing its return to broadcasting. In late January, Houthi authorities shuttered six community radio stations in Sana'a, including Voice of Yemen, for allegedly broadcasting without licenses and failing to pay fees.

Houthi-imprisoned Actress Moved to Solitary Confinement

On July 23, Houthi authorities reportedly transferred Yemeni actress and model Intisar al-Hammadi to solitary confinement after torturing her in the Central Prison in northern Sana'a, according to **media reports** citing human rights sources. Al-Hammadi was arrested in February 2021 at a checkpoint in Sana'a for allegedly violating public morality.

Journalist's Health Deteriorates in Houthi Prison

On July 27, activists launched a [hashtag campaign](#) on social media to raise awareness of the deteriorating health of Yemeni journalist Tawfiq al-Mansouri, who was arbitrarily detained by Houthi forces in 2015 and sentenced to death in April 2020. Al-Mansouri is being denied urgent medical care, according to his mother and brother, who are asking Houthi authorities to transfer him to a hospital for immediate treatment.

International Developments

UN Renews Hudaydah Agreement Mission, Appoints New Deputy Chief

On July 6, UN Secretary-General Antonio Guterres [appointed](#) Vivien van de Perre as the new deputy head of the United Nations Mission to Support the Hudaydah Agreement (UNMHA) and deputy head of the Redeployment Coordination Committee (RCC). Van de Perre, a Dutch national, succeeds Daniela Krosiak of Germany. UNMHA was established shortly after the December 2018 signing of the Stockholm Agreement between the internationally recognized government and Houthi authorities, with the aim of overseeing a cease-fire in Hudaydah, the withdrawal of all forces from the city and the nearby ports of Hudaydah, Saleef and Ras Issa, and handover of the ports to local forces. The mission's current leader, Irish Major General Micheal Beary, has accomplished little in the seven months since his appointment due to Houthi-imposed access restrictions, which also plagued his three predecessors. UNMHA's work at present is limited to coordinating the removal of Houthi-laid mines from the vicinity of the ports. The internationally recognized government's team suspended its participation in the cease-fire monitoring operations in early 2020 after one of its observers was killed by a Houthi sniper. On July 13, the UN Security Council [renewed](#) the mandate of the UNMHA for one year.

Hamas Leader Sends Eid al-Adha Greetings to Houthi Counterpart

On July 8, the Houthi-run Al-Masirah news outlet [reported](#) that the head of the group's SPC, Mahdi al-Mashat, received a cable of congratulations on Eid al-Adha from the head of the political bureau of the militant Palestinian organization Hamas, Ismail Haniyeh. The message, which was not reported by Hamas-affiliated media outlets, marks the Iran-backed Palestinian movement's latest show of support for the Houthi movement, which also receives support from Iran. In June 2021, Hamas' representative in Sana'a, Moaz Abu Shamala, gave senior Houthi leader Mohammad Ali al-Houthi a [gift](#) of appreciation for raising funds in support of Hamas during Israel's May military campaign against Gaza, which Hamas has ruled since 2007.

US and Saudi Arabia Issue Iran-Focused Communiqué

On July 15, US President Joe Biden participated in the GCC+3 (Jordan, Iraq and Egypt) summit in Jeddah, marking his first trip to the Middle East since taking office. Among Biden's perceived priorities during the visit were persuading Saudi Arabia to help lower US gasoline prices amid fallout from the Russian war in Ukraine and reassuring Middle Eastern heads of state of American security guarantees. Biden met face-to-face with Saudi

Crown Prince Mohammed Bin Salman for the first time, after pledging that he would not do so due to the killing of Washington Post columnist Jamal Khashoggi in late 2018. Press coverage of the latter issue largely overshadowed other topics on the summit's agenda, including the situation in Yemen, which is routinely relegated to secondary importance and discussed only with respect to the security implications for its neighbors.

The day after the summit, the US and Saudi Arabia issued a **communique** highlighting outcomes related to Yemen, including the importance of preventing Iran from obtaining a nuclear weapon and the need to further deter Iran's "interference in the internal affairs of other countries, its support for terrorism through its armed proxies, and its efforts to destabilize the security and stability of the region," alluding to the Houthis, among other Iran-backed groups. The US-Saudi statement also noted the importance of maintaining the flow of trade through strategic international sea lanes, including the Bab al-Mandab Strait off Yemen's southwest coast. To that end, Riyadh and Washington noted the recent establishment of Combined Task Force 153, which will focus in part on security in the strait and deterring illegal smuggling into Yemen. The communique also noted that Saudi Arabia would take command of Joint Task Force 150 in the Gulf of Oman, through which numerous Houthi-bound weapons shipments from Iran have been confiscated.

On the sidelines of the Jeddah summit, PLC chief Al-Alimi **met** with US Secretary of State Antony Blinken. Among other issues, the leaders discussed the importance of extending the UN-led truce and of the need for Houthi authorities to improve access to Taiz.

On August 2, the US State Department approved a US\$3.05 billion **sale** of 300 Patriot missiles to Saudi Arabia and another **deal** worth US\$2.25 billion to the UAE for 96 Terminal High Altitude Area Defense (THAAD) missiles and control systems. In a news release announcing the Saudi deal, the Pentagon's Defense Security Cooperation Agency **stated** that the missiles will be used to defend the kingdom against "persistent Houthi cross-border" drone and ballistic missile attacks on civilian sites and critical infrastructure in Saudi Arabia.

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Houthi forces at a graduation ceremony on July 29, 2022, for fighters joining the 8th Presidential Protection Brigade // Photo credit: Houthi-run War Media department

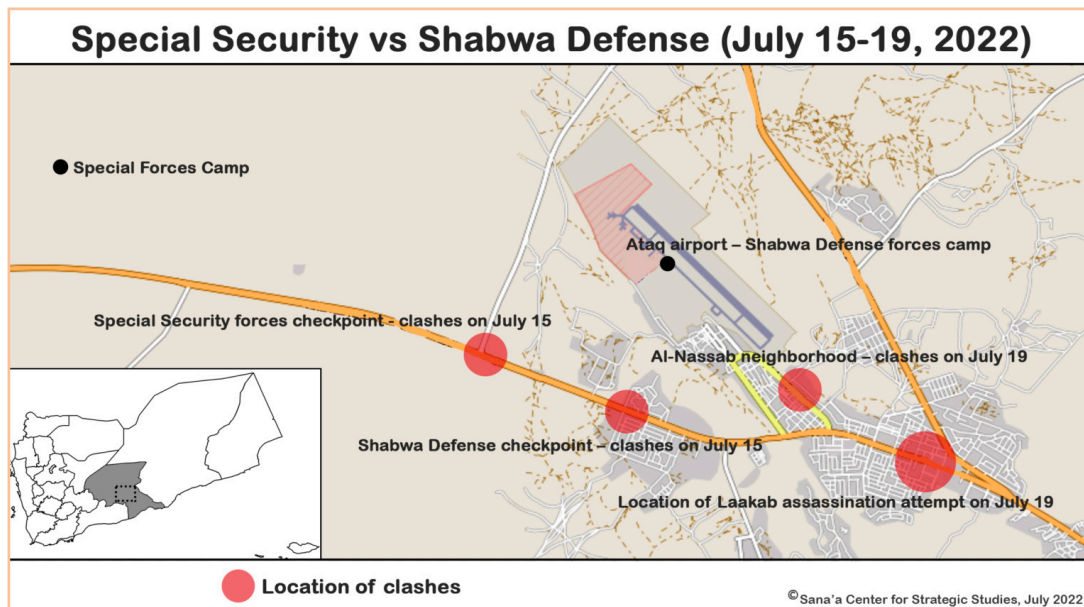
Tensions between Islah- and STC-Affiliated Forces in Shabwa Explode with Assassination Attempt

Islah-affiliated commander of the Special Security forces in Shabwa, Brigadier General Abd Rabbo Laakab, survived an assassination attempt by members of the UAE-backed Shabwa Defense forces in Shabwa governorate. Laakab's convoy was ambushed in Ataq city, the governorate capital, on July 19; two members of the Special Security Forces were killed, and two others were wounded in the attack.

The attempt was preceded by orders to replace Special Security Forces commanders and a series of clashes between members of the Shabwa Defense forces and Special Security forces in Ataq. On July 15, clashes erupted between Special Security forces manning the Al-Kahraba checkpoint in the village of Gul al-Aadh western Ataq city, and the Shabwa Defense forces, who were prevented from entering the capital. Two members of the Shabwa Defense forces and a civilian were injured. On the same day, an argument led to clashes at the ring road checkpoint manned by the Shabwa Defense force in the Al-Sawda area, western Ataq city, and members of the 1st Battalion of the Ataq Military Axis, commanded by Ahmed Lashqam al-Barassi. No injuries were reported.

On July 19, clashes at another SDF checkpoint, in the Al-Nassab neighborhood in central Ataq city, erupted when soldiers attempted to prevent Special Security forces members from escorting four armed plainclothes individuals into the city who refused to be searched. Two SDF members were wounded. The same day, the Shabwa Defense forces attempted to arrest members of a military unit affiliated with General Laakab in the Al-Asima neighborhood of western Ataq city. Two Shabwa Special Security forces were killed and one was wounded.

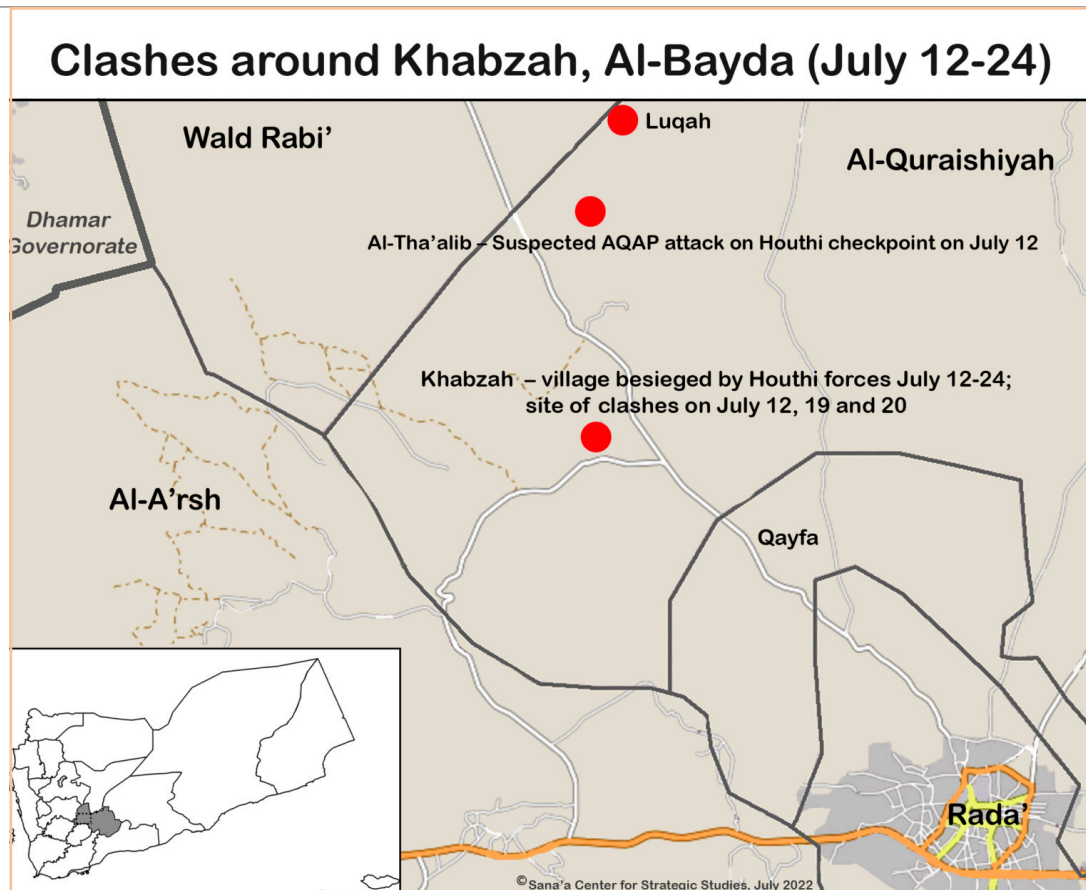
In an effort to ease tensions, Shabwa Governor Awadh bin al-Wazir al-Awlaki suspended Laakab and Wajdi Baoum, commander of the Shabwa Defense forces 2nd Brigade, pending an investigation. The events in Shabwa were discussed during a PLC meeting on July 24 headed by Rashad al-Alimi, who authorized Shabwa's governor to take action to stabilize the situation.



Houthis Battle Local Tribes in Al-Bayda

Houthi forces laid siege to the village of Khabzah in Al-Bayda governorate on July 12 and fought with local tribal forces following an attack on a Houthi checkpoint. The conflict began on July 12, after gunmen from the Luqah area in Al-Quraishiyah district, suspected of belonging to Al-Qaeda in the Arabian Peninsula (AQAP), attacked the checkpoint at the entrance to the Al-Tha'alib area of Khabzah. The gunmen killed three Houthi fighters and seized their weapons before fleeing deeper into the village, according to tribal and local sources. In response, Houthi forces besieged Khabzah and called in reinforcements from Sana'a. After a local mediation approved by the office of Houthi leader Abdelmalek al-Houthi, the villagers issued a statement saying they did not condone the checkpoint attack, leading Houthi forces to step back and wait outside the village for the fugitives to be sent out. When they did not emerge the siege was reimposed and armed clashes resumed. On July 12, two Houthi fighters were killed and four were wounded, and on July 19-20, four tribal fighters, a woman and a child were killed. Local mediation resumed after the Al-Wahbi tribe sent 20 of its members as 'hostages' to the Houthis, a common show of good faith in tribal deconfliction negotiations, and a deal was reached on July 20 to halt the fighting and allow the wounded to be evacuated.

On July 24, Khabzah tribal sheikhs delivered 30 wanted individuals to Houthi forces in exchange for the 20 hostages. Those who were arrested were expected to be sent to Sana'a to attend indoctrination courses. Houthi forces have largely controlled Al-Bayda since 2015, though the tribal nature of the area means their rule has not gone unchallenged. The central location of the governorate provides a significant strategic advantage for whoever controls it, allowing for escalation or deescalation on fronts in eight bordering governorates.



Truce Extended But Violations Continue

The fourth month of the truce between the warring parties in Yemen saw limited fighting on the frontlines, with no territorial advances reported. The ongoing truce, declared in early April to coincide with the start of Ramadan and renewed in June, was extended for another two months on August 2. However, sporadic truce violations occurred in late July as the deadline approached, notably in Marib, Al-Dhalea, Taiz and Hudaydah governorates. Houthi forces and government-affiliated troops clashed in the Tabat Othman and Batar areas in the northwest Qa'atabah district of northern Al-Dhalea governorate, and in the western Al-Abdiyah district of southern Ma'rib governorate, as well as on Serwah frontline, west of Marib city, and in Hays district of southern Hudaydah governorate.

Residents of government-controlled areas of Taiz city continued to demand that the Houthis reopen roads after years of blockade. The reopening of the roads was a stipulation of the initial truce agreement but talks on the issue remain stalled, with the Houthis rejecting a recent UN proposal for a phased reopening.

Notable incidents in Taiz included the halt of an **Eid al-Adha festival** in Al-Shuhadaa Square in the Al-Ordhi neighborhood of Taiz city on July 11, after Houthi mortar shells fell nearby. There were no casualties reported. Houthi shelling on July 23 killed one child and injured 11 others playing in the Al-Rawdhah neighborhood of the city. The incident was condemned by the United Nations and several NGOs; Save the Children called it "**utterly disgraceful**." The shelling occurred as General Anthony Hayward, military adviser to the UN envoy, visited the city for meetings on the security situation with Taiz governor Nabil Shamsan.

Local government commander Mohammed Abdulmalek Nasr al-Fuhaydi was killed by a Houthi sniper on July 20, during an [attack](#) on government positions on the frontlines west of Taiz city. A number of Houthi fighters were also killed. A child was shot and killed by a Houthi sniper in Al-Quhayfa village in the Maqbanah district of western Taiz governorate on July 27 – the village and the Himyar al-Jabal area are the only parts of the district which remain under government control. The same day, one child was killed and another injured in the village of Hejat Quraish in the northern Hays district of Hudaydah governorate, during shelling between Houthi fighters and the Joint Forces.

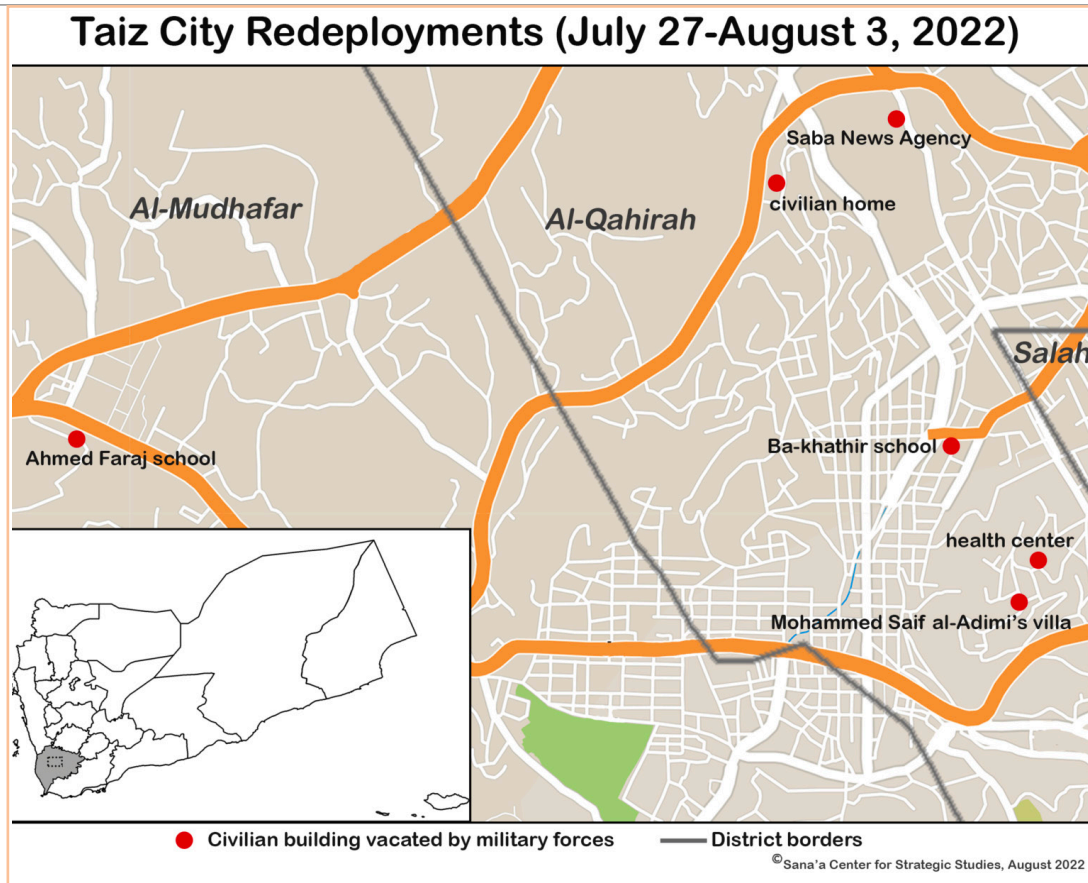
Houthi media reported on July 17 that 17 people were killed or injured in Sa'ada governorate [after being shot](#) by Saudi border guards. No further details were given. Houthi media regularly reports alleged Saudi-led coalition and government violations of the truce. Houthi authorities claimed on July 19 that coalition planes conducted an airstrike on a civilian home and Houthi positions in Al-Shamiriyah, in the Hajr Bitar area of Al-Dhalea governorate. The next day, the coalition [denied the claim](#), stating it had not carried out any airstrikes since the start of the truce in April.

On July 20, clashes erupted on the borders of the Al-Abdiyah and Harib districts in Marib between Houthi forces and the Giants Brigades and continued into the [following days](#). Houthi forces claimed the Giants Brigades opened fire first, sparking the fighting. No casualties or advances were reported, according to local sources. In Al-Dhalea, sporadic clashes between Houthi and government forces were reported from July 21-23, by government military and medical sources in the Tabat Othman and Batar areas, in the northwest of the Qa'atabah district. Four government-affiliated fighters were killed in the clashes, which were followed by further [reports of Houthi shelling](#) in the area.

Military Units Vacate Civilian Buildings in Taiz City

Following direct orders from now-former defense minister Mohammed Ali al-Maqdashi and National Resistance Forces leader and PLC member Tareq Saleh, the Islah-affiliated Taiz Military Axis began a systematic campaign to remove military units billeted in civilian buildings in Taiz city on July 27. Previous initiatives 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 intended to garner local support for himself and the PLC.

The operation came as the armed Houthi movement staged military parades involving troops from Taiz, and relocated units to reinforce its military presence in the governorate and nearby Ibb. Should the truce falter or fail to be extended, it appears likely that the Houthis will first move on Taiz, rather than resuming last year's offensive on the strategic resource-rich city of Marib.



Other Military & Security Developments in Brief:

July 7: The UK announced that it had seized shipments of Iranian missiles in the Gulf of Oman, including surface-to-air missiles and engines for cruise missiles. The seizure occurred earlier in the year, and the UK said it was the first time a British naval ship had stopped a vessel carrying such sophisticated weapons from Iran. Tehran denied the report, saying it had “never transported weapons or military equipment to Yemen.”

July 11: Security forces in Wadi Hadramawt claimed to have captured AQAP leader Fahmi Bamasfar al-Kathiri, according to local media reports. Al-Kathiri was **reportedly injured** in the operation.

July 21: Gunmen from the Al-Ka’alah tribe, part of the influential Al-Sabaiha tribe that dominates Lahj’s coast, kidnapped Brigadier General Othman Nasser al-Mushoushi al-Yafei, staff general of the STC-affiliated 3rd Backup and Support Brigade, Major General Faisal Qassem al-Radami al-Yafei, and their escorts, on the coastal road in Al-Madaribah district, in the Al-Sabaiha tribal area in western Lahj governorate. Following local and tribal mediation, all detainees were released on July 25.

July 24: Houthi forces shot and killed a civilian carrying fuel barrels in his car in the Al-Jar area of eastern Al-Hazm district in Al-Jawf governorate. Houthi police forces are seeking to prevent the entry of oil derivatives from government-controlled areas, according to local sources. Al-Khashkhash tribesmen flocked to the area to demand the killers be brought to justice.

- **July 24:** Unknown assailants fired a mortar shell at the Balhaf LNG facility's airstrip, in Rudum district of eastern Shabwa, according to eyewitnesses. The identity of the attackers and motivation for the attack remain unclear.
- **July 27:** A hand grenade was detonated by unknown perpetrators at Top Center Mall in Al-Mansoura district of Aden, causing damage to nearby storefronts. The mall has previously been targeted by unknown assailants demanding payment from retailers.
- **July 28:** A man was killed by a landmine near his farm in the Hudaydah village of Al-Juraibah, in the northern Al-Zaafaran area of Al-Durayhimi district. Six people, including four children, were injured by a landmine in the Al-Jabaliyah area of southwest Al-Tuhayta district. Two of the children had tried to open the landmine after bringing it home.
- **July 29:** Government Information Minister Muammar al-Eryani **claimed** that five Houthi engineers, including at least one non-Yemeni, were killed in a large explosion, allegedly while assembling a ballistic missile in a military hangar used for drone and missile construction near Sana'a airport.
- **July 29:** An improvised explosive device exploded near the home of Deputy Health Minister Musleh Nasher Al-Hakam, in the Al-A'wabel area of eastern Al-Dhalea. No casualties were reported.



The Al-Aqroth Road between government- and Houthi-held areas in Taiz governorate on July 8, 2022 // Sana'a Center by Ahmed Al-Basha

Houthis Continue to Bilk Consumers With Exorbitant Fuel Prices

Sana'a Center Economic Unit

Fuel Price Hikes in Houthi-Controlled Areas

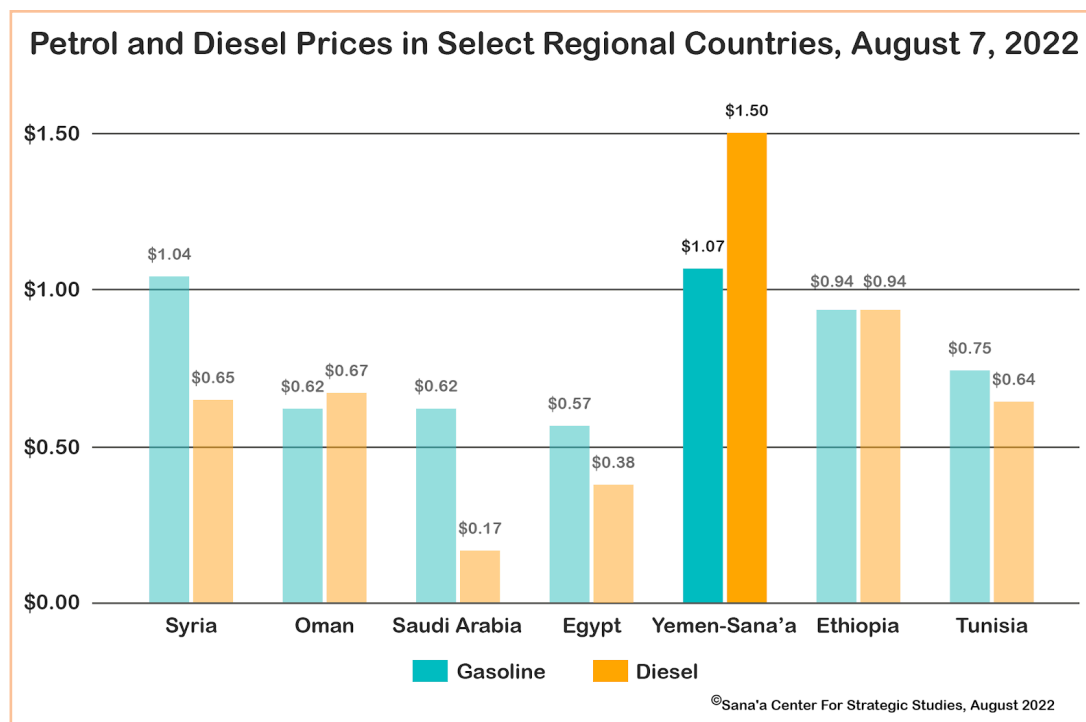
On July 3, the Sana'a-based Yemen Petroleum Company (YPC) increased the official price of petrol by 9 percent, from YR640 to YR700 per liter, in areas under the control of Houthi authorities. Since last June, Houthi-controlled cities have suffered from continuing shortages of diesel, leading to wide divergences in prices at official, commercial and black-market fuel stations. In the last week of July, commercial and black-market prices were approximately 17 and 33 percent higher, respectively, than the official price. Between June 2021 and July this year, the YPC in Sanaa has increased the price of fuels three times. During this period, the price of petrol increased 137 percent, from YR295 per liter to YR700 per liter, while the price of one liter of diesel increased by 197 percent, from YR295 to YR875.

There were no official price hikes by the government-run YPC-Aden in July, however limited institutional capacity to regulate or finance fuel imports continued to sustain a **relative fuel shortage and high black market prices** in many southern cities. In June, the YPC-Aden increased the official price of petrol by 6 percent, from YR930 to YR990 per liter, with commercial fuel stations subsequently raising their prices 15 percent, from YR1125 to 1290YR per liter. Unmet demand in July allowed the black market to sustain prices of YR1500 per liter in both Aden and Taiz. In Marib, where the official fuel price is set at the highly-subsidized rate of YR175 per liter – though it is generally unavailable at this price – the black market was selling petrol for YR800 per liter.

On July 4, the YPC in Sana'a released a [statement](#) saying that price hikes in Houthi-controlled areas reflect increases in global crude prices and transportation costs, which it said had doubled. Less than a week later, on July 9, an official spokesman for the YPC-Aden [said](#) that in addition to these price shocks, the government has not been able to allocate sufficient hard currency stocks to import fuel, which costs some YR600 million annually, in the light of delayed Saudi and Emirati financial support. He added that the recent truce with the Houthis, an agreement which allowed larger quantities of fuel derivatives to be imported through the Houthi-held port of Hudaydah, had contributed to fuel shortages in government-held regions. The spokesman stated that the truce had spurred an exodus of businessmen and traders from government-held ports to Hudaydah, where they have been offered better incentives by Houthi authorities.

The fuel derivatives market has been highly lucrative for warring parties, in particular Houthi authorities and their affiliated business networks, who [often manipulate the supply](#) through official channels to generate higher returns on the black market.

In the first week of August, the YPC-Sana'a [announced](#) that it was responding to declining global fuel prices by reducing 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. Comparatively, however, fuel prices in Houthi-controlled areas are among the highest in the region, particularly in regard to diesel. This likely indicates that Houthi levies and taxes associated with fuel imports and sales are highly profitable for the group.



Source: [GlobalPetrolPrices.com](#), Sana'a Center Economic Unit

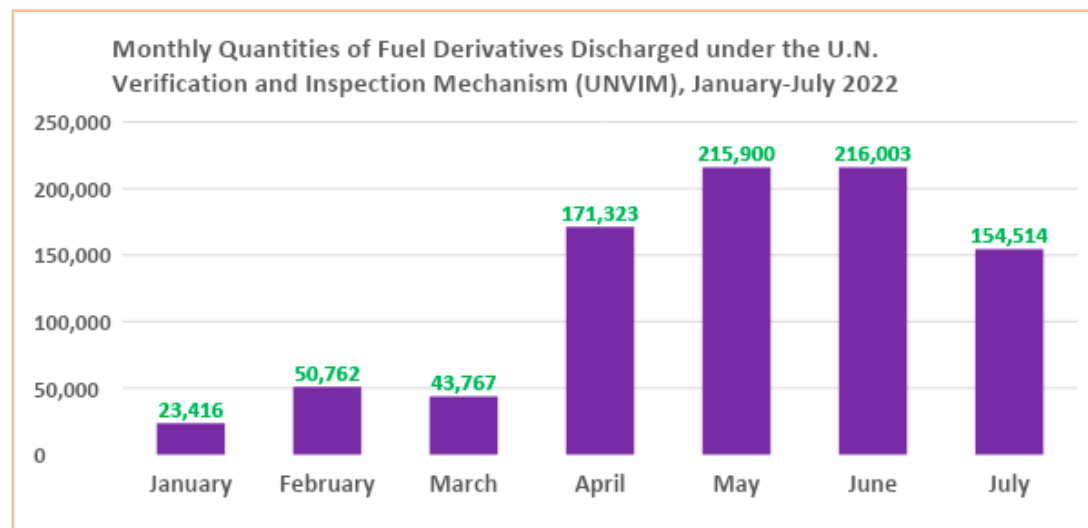
Houthis Blame Saudis for Diesel Crisis, Evidence Suggests Otherwise

In July, the Houthi-run YPC released several statements accusing the Saudi-led coalition of seizing fuel ships and causing a supply bottleneck in oil derivatives, in particular diesel. At the beginning of July, the YPC-Sana'a issued a [statement](#) saying the coalition had blocked the passage of two fuel vessels originating from the UAE and carrying a total 57,735 tons of diesel, for four days off the coast of Jizan, Saudi Arabia. A second [statement](#), on July 29, accused the coalition of holding five ships loaded with almost 150,000 tons of oil and diesel off of Jizan, blocking them from heading to Hudaydah. According to the last statement, the ships were seized for "varying periods" that "amounted to 17 days," despite having successfully completed the examination and audit procedures of the United Nations Verification and Inspection Mechanism (UNVIM). The following day, a YPC spokesman [announced](#) that three of the ships – the Viviana, Sea Adore, and PSS Energy – which together carried some 87,000 tons of fuel, had been released and had arrived at Hudaydah.

Since last June, Houthi-controlled cities have suffered recurrent shortages of diesel, leading to wide divergences in prices at official, commercial, and black-market fuel stations. For most of July, the official price of diesel was YR750 per liter, but availability was limited. As noted above, at the end of July, diesel sold on the commercial and black markets was being priced roughly 17 and 33 percent above, respectively, the official price.

It is plausible that Houthi authorities have intentionally limited the supply of diesel to the market to build up their own strategic reserves. The truce allowed for 36 fuel ships to offload at the Houthi-held port of Hudaydah between early April and the end of July. In a [statement](#), the YPC-Sana'a disclosed that only 80 percent of the fuel had actually been offloaded, though the ships likely carried sufficient diesel to address market demand.

Indeed, [the UNVIM Operational Analysis report](#) indicated in July 2022 that 154,514 tons of fuel derivatives was discharged in Hudaydah, an increase of 247 percent relative to the 2021 monthly average (44,589 tons) and a 17 percent increase compared to the monthly average since May 2016 (131,792 tons). In addition, the UNVIM reported that fuel vessels in July 2022 spent an average time of 10 days in the Coalition Holding Area (CHA) off the coast of Saudi Arabia, compared to 60 days on average in July 2021, and to an average of 73.3 days last year.

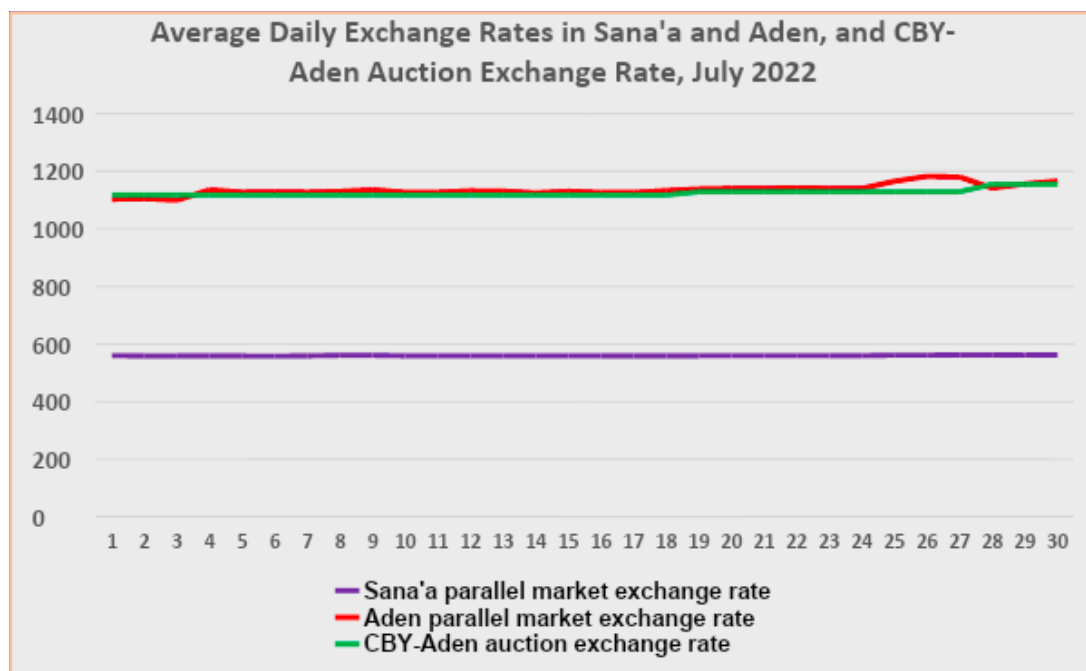


The YPC has regulated the supply of diesel sold at official fuel stations by restricting access to a limited number of public institutions and Houthi affiliates. Commercial businesses, including electricity generator owners and the majority of the public, can only buy diesel at commercial stations or on the black market. On July 30, the Houthi-aligned Minister of Electricity and Energy and the Executive Director of the YPC **signed** an agreement to regulate the demands of public and privately owned electricity stations and determine their diesel requirements. It is unclear whether this mechanism will apply to the fuel aboard the vessels cleared for offloading at Hudaydah at the end of July.

Currency Watch

New Rials Depreciate, Old Rials Remain Stable

The Yemeni rial (YR) exchange rate in government-controlled areas recorded a cumulative 6 percent depreciation relative to the United States dollar (US\$) between the beginning and end of July, falling in value from YR1,103 per US\$1 on July 1 to YR1,169 on July 31. In the first three days of the month alone, new rial banknotes – those issued by the CBY-Aden since 2017 – fell 3 percent, depreciating from YR1,103 to YR1,136 on July 4. The currency rebounded slightly and then remained relatively stable at YR1,140 per US\$1 until July 24. In fluctuations over the last week of July, the rial fell as low as YR1,183 on July 26, before ending the month at YR1,169 per US\$1.



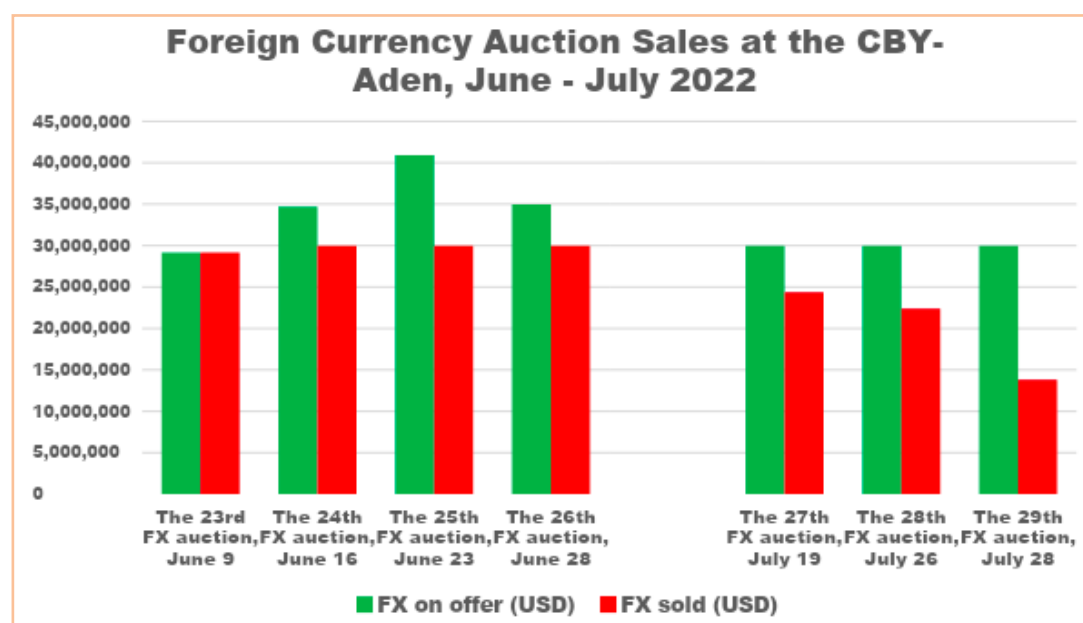
One of the primary drivers of exchange rate instability in government-controlled areas was the CBY-Aden's reduced intervention in the foreign exchange market. In July, the CBY-Aden held three foreign currency auctions, at which Yemeni commercial banks purchased only about half the funds they had at the four auctions in June (see below).

Currency stability is an increasing risk due to the CBY-Aden's dwindling foreign currency reserves and with Riyadh and Abu Dhabi demanding governance reforms before releasing US\$2 billion in promised support to the government-controlled central bank.

In Houthi-controlled areas, the exchange rate for old rial banknotes – printed prior to 2016 – remained stable, trading within a narrow band around YR560 per US\$1.

Commercial Banks Sour on FX Auctions

Over the course of July the CBY-Aden held three foreign currency auctions, at which a total of US\$90 million was made available for Yemeni banks to purchase. Of this, only 67 percent (US\$60.6 million) was sold. The auction at the end of July, the 29th of 2022, was the worst-performing of the year, with only 46 percent of the available foreign currency sold, down from 75 and 81 percent, respectively, in the two auctions preceding it.



The total amount of foreign currency sold in July was just 51 percent of that sold in June, when 85 percent of the US\$140 million on offer was purchased. Commercial banks' declining appetite to participate likely relates to the marginal premiums offered on the currency for sale and continuing exchange rate volatility, which together raise the potential for banks to take losses on the currency they buy. When the 28th auction was announced it carried a 2 percent premium above the market rate, but due to rial appreciation between the announcement and the day of the auction, purchasing banks took a 1 percent loss relative to the prevailing market exchange rate. Should the Saudi and Emirati support come through, the rial would likely appreciate significantly, giving banks further incentive to hold on to their rials.

At the end of July, the CBY-Aden announced that through the 28 currency auctions it had this year, it had disbursed a total amount of US\$473.5 million to commercial banks to finance the importing of basic commodities.

Government Seeks to Monitor Country's Largest Mobile Network

Speaking confidentially to the Sana'a Center, an engineer working in the telecommunications sector reported that the government has recently asked Yemen Mobile Company, the biggest mobile network operator in the country, to provide it access to the mobile network and allow it to monitor mobile services in areas under government control as part of a larger effort to prevent the Houthi authorities from utilizing mobile networks to identify military targets. The rival branches of Yemen's fragmented telecommunications ministry have regularly fought over the ability to regulate and collect fees from the sector. Another recent escalation came in June when the government's branch of the Ministry of Telecommunications and Information Technology suspended the mobile network services of the Yemeni-Omani Company "YOU" (previously MTN) in Aden, accusing it of being delinquent on tax payments.

Delegation Negotiates Wheat Imports with Indian Government

On 21 July, media [reported](#) that Yemeni government officials and representatives from the country's private sector had started negotiations with the Indian government to facilitate wheat imports. In May, India banned wheat exports due to surging domestic prices but subsequently exempted Yemen from the export ban. An Indian official [said](#) in July that her country had exported more than 250,000 tons of wheat to Yemen in the past three months. Abu Bakr Baabid, Vice President of the General Federation of Yemeni Chambers of Commerce and Industry, confirmed that the wheat had been purchased, but said delivery had been blocked at the Indian port of departure. In 2021, Russia and Ukraine together provided Yemen with 42 percent of its wheat exports, but following Moscow's invasion of its neighbor in February 2022 – and the ensuing disruption in exports due to the blockade of Ukrainian ports and sanctions on Russia – Yemen has been [forced to resource](#) its grain imports elsewhere.

Retailers Keep Commodity Prices High Despite Falling Costs

The Yemeni Association for Consumer Protection (YACP) in Sana'a issued a [statement](#) on July 19 demanding that the Ministry of Industry and Trade compel traders to reduce retail prices on food commodities in line with recent declines in global market prices. The YACP stated that the global price decline ranged between 20-25 percent, and the ministry should compel reductions on retail prices for goods arriving in Yemen for the rest of July, August and September.

The Yemeni rial has appreciated in value country-wide since the government-Houthi truce was announced in April, which also precipitated increased deliveries of food and fuel to the country. According to the [WFP](#), during the first half of 2022 total fuel imports through Hudaydah ports increased 137 percent compared to the previous year, while total food imports were 17 percent higher relative to the same period in 2021. Since May there

has also been a **decline in global food prices**. These factors, however, have not translated into lower retail prices for Yemeni consumers, with weak commodity market regulation allowing traders to pocket the cost savings themselves.

On July 24, the Sana'a-based Ministry of Industry and Trade **issued** a decision to reduce and control the price of grilled chicken (defined as weighing 900-1,000 grams), which would force vendors to reduce the price per chicken from YR2,500 to YR2,000. As of this writing, however, the decision had not been implemented.

Government Signs Agreement to Develop Energy Sector

On July 5, the government, represented by its Minister of Electricity and Energy, Anwar Kalashat, and Minister of Oil and Minerals, Abdul Salam Baaboud, **signed** an agreement with Siemens Energy in Germany to develop Yemen's electricity and energy sector. The agreement is a road map for developing sustainable power solutions and aims to build gas-fueled power plants and to diversify using renewable energy sources. The agreement also includes the installation of new transmission lines for the national electricity network, connecting Yemeni governorates and developing, rehabilitating, and providing maintenance for existing power stations.

Yemen's already weak public electricity production became critically deficient during the conflict, as infrastructure was directly and indirectly targeted by the warring parties and the responsible state institutions fragmented. As a result, profiteers have spurred the growth of a black-market economy to fill the vacuum. The supply of electricity from Marib's two gas-powered stations, with a capacity of 360 and 400 megawatts respectively, has been disrupted, amplifying shortages nationwide.

On July 18, Al-Araby Al-Jadeed newspaper **reported** that Yemen currently spends an estimated US\$1.2 billion annually on importing fuel derivatives to produce only one gigawatt of electricity, addressing just 7 percent of the country's actual energy needs, estimated at 14 gigawatts.

Given deteriorating economic conditions and the ongoing conflict, Yemen will continue to suffer from severe power shortages in the short and medium term. Sustainable solutions for power would require greater security and stability, and huge investments in the reconstruction and rehabilitation of the country's damaged and outdated electricity infrastructure.



Osama bin Laden sits with his adviser Ayman al-Zawahiri during an interview with Pakistani journalist Hamid Mir. Hamid in November 2001 in Kabul, Afghanistan // Photo from Wikimedia Commons.

Al-Zawahiri's Death and the End of Bin Laden's Legacy

Hussam Radman

Osama bin Laden had always admired his loyal soldiers in Yemen. In particular, he respected his secretary from the Afghan jihad years, whom he viewed as his spiritual successor, Nasser al-Wuhayshi. It was Al-Wuhayshi who took over the task of rebuilding Al-Qaeda in Yemen, before merging it with its Saudi branch to form Al-Qaeda in the Arabian Peninsula (AQAP).

Driven by an ambition to move the jihadist command center to Yemen, which he saw as an "Afghanistan with access to the sea," Bin Laden prepared Al-Wuhayshi to be Al-Qaeda's next leader. Convinced of his organizational abilities and charisma, Bin Laden granted Al-Wuhayshi exceptional powers, ordering other branches of Al-Qaeda to follow the example of Yemenis in adapting to their local environments, which enabled these cells to carry out numerous successful operations at home and abroad.

Bin Laden's 2011 assassination came as a blow to the jihadist movement, and prevented the new generation of Yemeni members from climbing the organizational ladder. Instead, power passed to the Egyptian circle that had accompanied Bin Laden in Afghanistan, represented by Ayman al-Zawahiri, a political and religious theorist influenced by Sayyid Qutb. It was the Egyptians who convinced Bin Laden to transform the Afghan jihad against the Soviets into a global jihadist movement against the West. Al-Zawahiri continued to invest in group's young Yemeni leadership and prepare it for future command. But the killing of Al-Wuhayshi in a 2015 US drone strike halted these plans in their tracks, and placed a question mark over Al-Qaeda's plan of succession.

When Qasim al-Raymi took over as AQAP's leader, it was expected that he would play a leading role in Al-Qaeda's central command. But his influence was hampered by his

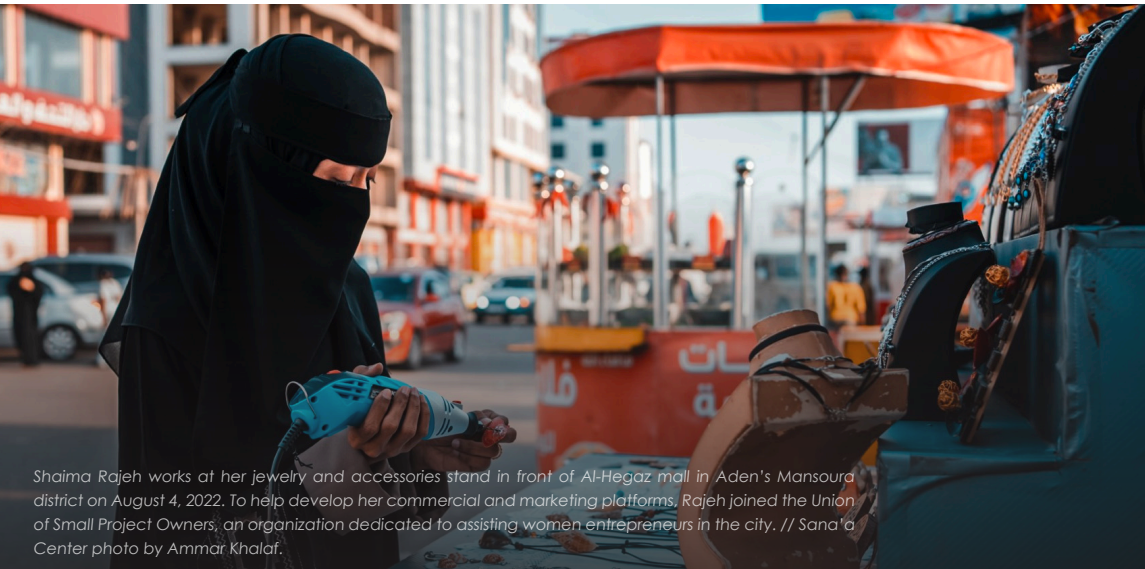
deteriorating health and the limited room for maneuver enforced by US drone operations. At the same time, Al-Zawahiri thought the group's fortunes could be revived in the wake of the Islamic State's stunning success in Iraq and Syria by promoting Bin Laden's son Hamza. Al-Zawahiri began by introducing Hamza bin Laden to jihadist circles in an audio message in 2015, extolling him as "the lion, son of the lion." In 2017 Al-Zawahiri began to seriously consider handing over leadership of the organization, and placed Hamza at the top of the command structure, giving him a greater role in planning and propaganda. But the US responded by adding Hamza to its terrorist list, and assassinated him in 2019.

A rivalry emerged between Bin Laden's spiritual successors in Yemen, led by AQAP leader Qasim al-Raymi, and his old comrades in the Afghan jihad, the Egyptian circle led by Ahmed Salahuddin Zeidan, also known as Saif al-Adl, or "sword of justice." By 2019, it seemed that Al-Qaeda had three leaders: Ayman al-Zawahiri, whose influence was declining although he maintained symbolic authority as the legitimate emir of the organization; Saif Al-Adl, who was thought to manage the group's security and administrative affairs from Tehran, where he had found refuge after the US-led invasion of Afghanistan; and Al-Raymi, still the favorite to take over despite the crises in Yemen that absorbed his attention.

Al-Zawahiri was emotionally and strategically aligned with Al-Raymi, and by the same token, Al-Raymi endorsed Al-Zawahiri as the group's legitimate leader. Over time, however, Al-Raymi deepened his organizational and security contacts with Saif al-Adl, as the most effective and influential figure in the group. This helped turn the tide in favor of Saif al-Adl as Al-Zawahiri's apparent successor, but the matter was resolved definitively in 2020, with Al-Raymi's death in another US drone strike.

With the rise of Khalid Batarfi as the new AQAP leader, the bid of jihadist Yemeni youth for global leadership of the organization is finally over. Today, Al-Qaeda is firmly in the hands of the Egyptian cohort, which controls the organization's security, financial and administrative affairs. The group is at a critical impasse in terms of strategy and organization, not least since its likely new leader is set to run the group from Iran instead of Afghanistan. In the near term, there do not appear to be immediate consequences for AQAP from Al-Zawahiri's death, but it will do nothing to stem the internal crises faced by the Yemeni branch, the successive divisions between its senior and middle leadership and the erosion of its influence on the ground amid a general decline in popularity.

Hussam Radman is a researcher fellow with the Sana'a Center for Strategic Studies. His research focuses on Yemen's Southern Movement and militant Islamist groups, such as al-Qaeda in the Arabian Peninsula, the Islamic State group, and armed Salafist factions. He is also a correspondent for Dubai TV and has previously worked for the newspapers Al-Sharea in Yemen and Egypt's Al-Ahram.



Shaima Rajeh works at her jewelry and accessories stand in front of Al-Hegaz mall in Aden's Mansoura district on August 4, 2022. To help develop her commercial and marketing platforms, Rajeh joined the Union of Small Project Owners, an organization dedicated to assisting women entrepreneurs in the city. // Sana'a Center photo by Ammar Khalaf.

Wartime Economy Fosters Surge in Female Entrepreneurship in Aden

Ghaidaa Alrashidy

Women have only ever made up a fraction of the business community in Aden, and in 2015 – when Houthi forces and their allies invaded the southern city and spurred a regional intervention to liberate it – their share declined dramatically. While precise numbers are hard to come by, anecdotal evidence points to a rapid decline: Dr. Kulthum Nasser, head businesswoman in the Aden Chamber of Commerce, told the Sana'a Center that the war reduced its female membership from roughly 20 to just six, with many forced to close their businesses or flee the country.

But before long, Nasser began to notice a reversal: the number of women entrepreneurs in Aden increased rapidly. Speaking with many of these women, she recognized that the vast majority had never run a business before. “We found that one of the most important problems that women faced was the absence of any agency to help them launch their projects, conduct feasibility studies, determine the mechanisms of work and marketing for their projects, or provide them with legal protection to guarantee their rights,” said Nasser, who recognized that these new entrepreneurs would need support if they were to grow their enterprises. This led her to found the [Union of Small Project Owners \(USPO\)](#), licensed by the Aden Chamber of Commerce in 2016, to help women entrepreneurs build their business acumen. Shortly after its inception, the USPO had less than 150 members. By May 2022, there were close to 1,200 businesswomen who had signed on.

A combination of necessity and opportunity has been a primary driver of this trend. “The war led to dire economic conditions that greatly affected women,” said Nasser, with the general economic collapse robbing many families of their income – usually earned by male heads of the household – and forcing them to scramble for new sources of revenue.

At the same time, the war economy created a new socioeconomic class with disposable wealth in the city, which reshaped demand for goods and services. To cater to this new market, Nasser says women entrepreneurs have often transferred traditional skills – such as cooking, making incense and perfumes, sewing and handicrafts – into small, informal commercial enterprises.

All businesses in Aden face a litany of challenges, such as poor security, exchange rate and price instability, a lack of services, and difficulty accessing financing. The hurdles women entrepreneurs confront are compounded by patriarchal social norms. Women have to deal with threats to their physical security when moving outside the home, and women’s participation in business is belittled and denigrated by wider society. This lack of recognition exposes Yemeni businesswomen to predatory behavior by their male peers and the public officials they have to interact with.

In this In Focus article, the Sana’a Center looks at women entrepreneurs in Aden, the challenges and opportunities they face, and the complex dynamics that have prompted the surge in women-owned businesses.

Market Distortions Fuel Enterprise

In 2013, Ahed Isa and her husband were expecting their first child. She had quit her job as a computer engineer in preparation for motherhood, but without work felt a void in her day. She began making gifts for friends and family to hand out in celebration of her baby’s arrival. The praise she received for her creations was so encouraging that when relatives held their own celebrations, she made gifts for them as well. It quickly dawned on Isa that this hobby had the potential to be a business venture and a way to earn income for her family: she enjoyed the work, had an obvious talent for it, and most importantly she could do it from home while tending to her new baby. With the encouragement of her husband, she began to make small capital investments – purchasing printers and other materials – to get her business off the ground.

Today Isa, now 34 years old, is a well-known wedding and event organizer in Aden. Just this summer, she purchased new uniforms for her staff of 23. She says the Houthi invasion of Aden in 2015 and the period of insecurity following the city’s liberation almost completely shuttered the wedding and event industry, but what followed was a period of rapid growth.

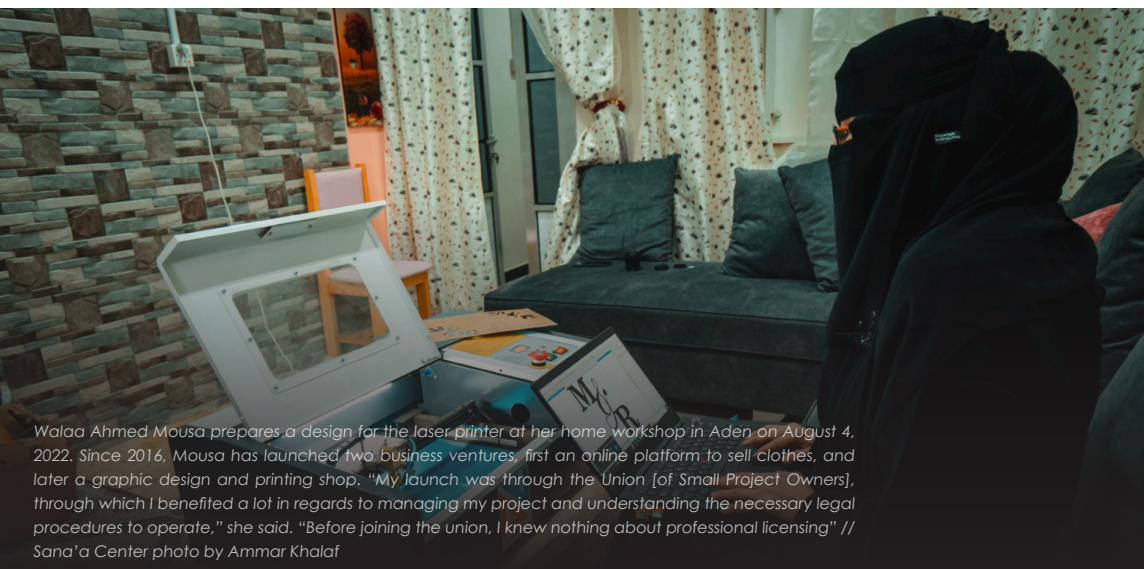
“The society changed after the war, and the market requirements changed,” she says. “Weddings and occasions before the war were more simple – each according to his ability and financial capabilities,” with extravagant events limited to the wealthiest in society, such as the families of prominent businessmen and politicians. She says that during the first years of the war, event services were typically limited to the small minority of individuals in society who could afford them.

As the war in Yemen raged on, however, a new class emerged in Aden, the interim capital of the internationally recognized government, associated with the armed groups and currency speculators, both of whom have ready access to hard currency. This “new money” cohort has been far more ready to ostentatiously display their wealth by hosting opulent social events, with this embrace of materialism trickling down through much of the rest of society. Today, a professionally planned wedding has become a standard that young brides-to-be aspire to attain, with many people feeling compelled to stage an event that upholds their reputation in the eyes of society. Isa says many in the middle class borrow money to stage lavish events that they can little afford.

Before the war, Isa says she mostly worked alone and was limited to designing gifts for weddings and decorating cake-cutting tables. Today, she and her full-time team can manage and arrange every element – food, music, souvenirs and decorations – of any occasion, including weddings, graduation ceremonies, holiday festivals and more. Having moved beyond her home business, Isa now rents two warehouses to accommodate the goods and supplies she needs. But despite the surge in demand and the growth of her business, Isa says the work still feels precarious in the current environment.

She sites security as a primary concern. With most of her events taking place in the evening, Isa says she is anxious about her staff moving around the city late at night, given the general lawlessness and political instability in Aden. She says **wild swings** in the value of the Yemeni rial have also cost her business huge, unexpected losses when the amount she agreed to charge a customer no longer covers her costs. To avoid this, Isa says that since the beginning of this year she has priced all her customer agreements in Saudi riyals (SAR), with weddings usually costing between SAR5,000-25,000 (US\$1,330-6,650). Other challenges Isa lists include recurring fuel shortages and power outages.

“We [currently] do not feel the financial stability that entitles us to enter into legal procedures and pay taxes and additional fees,” she says, adding that to officially register her business would cost 1 million Yemeni rials on top of other official and unofficial costs. “Because of the situation’s instability, we occasionally cover losses with profits from other activities.”



Walaa Ahmed Mousa prepares a design for the laser printer at her home workshop in Aden on August 4, 2022. Since 2016, Mousa has launched two business ventures, first an online platform to sell clothes, and later a graphic design and printing shop. “My launch was through the Union [of Small Project Owners], through which I benefited a lot in regards to managing my project and understanding the necessary legal procedures to operate,” she said. “Before joining the union, I knew nothing about professional licensing” // Sana’a Center photo by Ammar Khalaf

Dreams Deferred

Anhar, another resident of Aden who preferred to be identified only by her first name, spoke to the Sana'a Center about her studies in communications engineering at Aden university before the war, and how she dreamed of getting a job in the public sector like her father. Today, her father's monthly salary is not enough to cover the family's needs for even one week – a fact that contributed to Anhar abandoning her education to focus on the immediate need to generate income.

This led her to open an online store, in which she displays fashionable, brand-name clothing that she began importing overland from Saudi Arabia, with the help of her sister who resides there. Her project caters to a new class of spenders, and she can earn the equivalent of three months' local salary in one order.

Anhar is just one among many of her generation who, in response to the economic realities that came with the war, prioritized the immediate need to make money over the life they may have otherwise chosen for themselves. It is difficult to discern, in the recent surge of female entrepreneurship in Aden, how many of these women are opening and operating these businesses of their own volition, and how much their spouses, families and the scramble to survive are dictating their choices for them.

Hurdles to Economic Integration

Many women entrepreneurs choose not to register with the local authorities and the commercial registry, according to Nasser. The reason, she says, stems from the upfront cost, as well as a fear that notifying the local authorities will make them the target of additional fees and taxes. In the absence of a functioning state, many women business owners in Aden believe that following the official procedures is complicated and costly with little benefit. Nasser adds that women entrepreneurs in particular are targeted by dishonest public officials, who believe they are ignorant of their legal rights and ripe for extortion.

At the same time, working off-the-books puts women entrepreneurs at risk of facing informal levies from municipal workers, tax officials, security forces, and others who demand payoffs to allow businesses to operate. Operating unofficially comes with the risk that real estate owners could raise rents suddenly and dramatically, as there is no legal contract between the business and property owner.

Educating women entrepreneurs about their legal rights and how to exercise them is one area Nasser says the USPO has been effective, and a reason many women join the organization. Nasser's position in the Chamber of Commerce and connections with the local authorities act as added layers of protection.

"In addition to solving some of the problems that women face with official authorities... especially those who are not officially registered, we communicate with the relevant authorities through our networks to exempt them from fees [the authorities attempt to impose]," says Nasser. But she adds that much more assistance is needed, including government action to mandate an official body to help women entrepreneurs assert their legal rights and fend off abuse.

Nasser says that the patriarchal business environment also presents major obstacles to women entrepreneurs. While male traders making deals with one other do so with an inherent level of respect, among the more unscrupulous wholesalers and suppliers there is an assumption that a woman working outside her home has no man to protect her. Women entrepreneurs purchasing basic materials to operate their enterprises thus regularly face price manipulation or traders changing the terms of the contract after a deal is already agreed.

Increasing the business savvy within its membership is thus a primary mission of the USPO. To this end, Nasser says the association provides free training courses related to business management in the private sector, such as how to run a feasibility study and a marketing campaign, and provides consultations for business startups and project sustainability. The association also provides extensive networking, product-testing and marketing opportunities through the large bazaars and exhibitions it stages, where members set up stands to hawk their products and services to other members and attendees. Nasser says that to date the USPO has staged some over 20 of these events.

A lack of access to financing remains one of the most fundamental obstacles for women business owners, according to Nasser – a problem that existed before the war that has only been compounded since. She describes an environment in which banks and other financiers impose onerous loan requirements that curtail women's ability to grow their enterprises. Previously, small business owners were usually able to secure loans against real estate, however, with the general insecurity plaguing Aden, lenders know that seizing property in case of default can be next to impossible. Instead, they require gold to be handed over as collateral – a condition many are unable or unwilling to meet. Exorbitant interest rates on loans (with 30 percent being common, according to Nasser), rigid repayment requirements, and exchange rate volatility that can evaporate the value of earnings all dissuade those that might otherwise qualify for small business loans.

Yemen's economic and social transformation through more than seven years of war has been catastrophic, birthing a war economy, a semi-functioning public sector where salaries have often gone unpaid, and a low-paying private sector devastated by a lack of security, the collapse of the rial and inflation. Many students have been forced to forego or quit university studies to help support their families. Many men, unemployed or simply unpaid, have abandoned their professions to earn a soldier's salary on the frontlines. However, the coalescence of these ills has created an opening that women entrepreneurs in Aden have stepped in to fill.

Ghaidaa Alrashidy is a researcher and a visual data specialist with the Sana'a Center for Strategic Studies. Her research focuses on southern Yemen, and security and social issues in southern governorates.



Al-Hayjah IDP settlement near Abs city in Hajjah governorate, pictured August 11, 2022 // Sana'a Center
photo by Ghader Murad

Yemen's Children Born and Raised in Displacement

Mohammed Ali Kalfood

Mariam was 13 years old when she escaped with her family from fighting near their hometown Al-Shalilah, a village outside the port city of Haradh in northern Hajjah governorate. After first finding refuge in the Al-Shia'ab camp for internally displaced persons (IDPs), less than two years later, at the age of 14, she was married off to a fellow villager from Al-Shalilah. However, she would soon be on the run again as fighting in Hajjah created new waves of IDPs, including many who had already been uprooted.

The family then took shelter in the Bani Hassan camp in Abs district, at the time the largest [IDP settlement in Hajjah](#), with around 5,000 families overseen by a consortium of international aid agencies and their local partners. When the internationally recognized government launched an attack to retake the district in 2019, they fled for a third time, to Al-Hayjah, 15 km to the southeast. Now more than seven years after she first left her home, Mariam is now a 20-year-old mother of three.

Life in Al-Hayjah

Hosting hundreds of displaced families, Al-Hayjah is situated on privately owned land in the foothills east of Abs city. "We decided to come to this place since it was the nearest to us," said Yaqoub, Mariam's 28-year-old husband. "We didn't take much of our stuff, just a few bags with clothes."

For the last three years, the couple has been living in two small, shabby shacks with their three children and Yaqoub's elderly mother. Constructed of tree branches with plastic sheeting placed on top, the two structures face each other, but are so frail they can hardly keep out the sun, let alone the pouring rain. Outside there is a clay oven used for cooking and a couple of traditional ga'das – rectangular beds for sleeping, half a meter wide and two meters long.



Mariam and her family on June 20, 2022, outside their makeshift home in Al-Hayjah IDP settlement near Abs city in Hajjah governorate // Sana'a Center photo by Ghader Murad.

"Life was much better and much easier back home, just tending to sheep and collecting firewood," Mariam said, holding a six-month-old baby in her arms – her third child born in a camp. "The situation there became unsafe with the bombing and shelling every day near the borders, and everyone had to escape for their safety."

With tens of thousands of children across Yemen born as displaced persons, children account for half of the **4 million IDPs** in the country – the **fourth largest IDP population** in the world as of 2021. A survey **published** in December 2021 showed that 649,387 children under five lived at IDP sites across 14 Yemeni governorates, including 194,496 aged less than one-year-old. More than 73,000 pregnant women are IDPs. Another **recent study** of three governorates by the UN Population Fund, UN Children's Fund, Women's Refugee Commission and John Hopkins University found that child marriage is more prevalent among displaced girls: one in five aged 10 to 19 in the surveyed areas in Sana'a, Ibb and Aden were currently married, compared with one in eight in nearby host communities.

The Camp Coordination and Camp Management (CCCM) cluster, managed by the United Nations High Commissioner for Refugees (UNHCR), **says** 1.6 million people among the IDPs have found refuge in 2,358 sites that it describes as "spontaneous and unplanned." Most IDP sites in Yemen are established "informally and with little intervention from the humanitarian community," according to the **CCCM cluster's 2021 strategy**.

The right of IDPs to remain in their camps has become increasingly tenuous, as some **80 percent** of the sites had no tenancy agreement as of early 2022. During 2021, **7,500 displaced families across 70 IDP sites** were under threat of eviction.

In Hajjah, a total of **487 IDP sites** have been established since 2015, hosting 435,007 people who escaped hostilities, particularly near the Saudi border. Hajjah has had the **second largest population of IDPs in the country** after Marib. According to the **CCCM**, 97 percent of 195 sites surveyed in Hajjah were spontaneous settlements, and 92 percent sit on private land. Since 2015, the CCCM has followed a **policy of not providing tents** to IDPs, in order to prevent such sites becoming permanent, and in 2018 it made the additional recommendation that humanitarian groups establish new camps only as a last resort.

Al-Hayjah is particularly ill-equipped. There are none of the tents or concrete structures found in other camps. Almost all residents are housed in poorly-constructed shacks. In 2019, families were provided with an emergency shelter kit consisting of sheeting, planks of wood and other materials – most of which have now worn out. A UNHCR report noted IDP sites in Abs district suffer from poor shelter facilities, a lack of water and sanitation and a shortage of food, all of which increases the vulnerability of their residents.

Sheikh Abdullah Saeed, a local tribal leader, made available a large area of his land for the IDP settlement at Al-Hayjah. Supervising the site and coordinating humanitarian activities there, Saeed says it is now home to around 800 displaced families. But he pointed to some basic requirements for accommodating the displaced that are lacking at Al-Hayjah. “There is only a small health unit that can barely provide primary health care, and water is still being provided by trucking it in,” he said.

Severe Lack of Internal Economy Among IDPs

There is little internal economy to speak of inside the camps. At some sites, NGOs provide a measure of financial assistance, while some men are able to find work as day laborers in their vicinity. Based on the [UNHCR's assessments](#), some 92 percent of displaced families in Yemen suffer from a lack of work, with 64 percent having no source of income at all and others living on less than 25,000 Yemeni rials (US\$40) a month. [According to the refugee agency](#), this means that two out of three displaced families have only one or two meals a day and that children are deprived of education and adequate healthcare. Some families resort to begging, or selling whatever possessions they have, while others marry off their daughters at a young age in order to ease financial pressures.

According to UNOCHA, which coordinates emergency responses to global humanitarian crises, women and girls are in particular need of protection. “Displaced women and girls tend to suffer most from lack of privacy, threats to safety and limited access to basic services, making them even more vulnerable to violence and abuse,” the agency [reported in November 2021](#). Around 30 percent of displaced households are headed by women, and their financial burden is increasing as inflation hits an already deteriorating economy.

A [report published in July 2022](#) by the Inter-Agency Standing Committee (IASC), which oversees UN responses to humanitarian challenges across different organizations, cited protection as a critical problem facing Yemen's IDP camps, as it is one of the least funded humanitarian activities in the country. The report said that displaced children are at particular risk of abuse and exploitation in IDP hosting sites, more than half of which contain some households headed by minors (under 18 years old). The report noted that less than half of the sites receive any humanitarian assistance at all, and of those, less than half the residents receive aid.

Mariam's family kept a large number of sheep and goats in their hometown as their main source of income. They managed to take the majority to the first IDP site they stayed in but had to sell most of them to make ends meet. Now they have only a handful of sheep left, which her husband and his mother tend to, and rely on the food assistance they receive from an aid agency each month.

Protracted Displacement vs. Durable Solutions

As the conflict has become protracted, displacement in turn has become more entrenched. Returning IDPs to their homes has not been a feasible solution due to risks of being exposed to further displacement if fighting breaks out again.

According to [the](#) Inter-Agency Standing Committee, a durable solution would mean that “IDPs no longer have any specific assistance and protection needs that are linked to their displacement, and can enjoy their human rights without discrimination on account of their displacement, and that it can be achieved through return, local integration and resettlement.” But long-term resolution of displacement on these terms remains a “distant prospect” in the view of many in the humanitarian and development sector, according to a [Norwegian Refugee Council](#) (NRC) report on displaced households. “Achieving durable solutions is complicated by continuous fighting and ever-shifting conflict frontlines, coupled with severe economic decline and limited livelihoods opportunities,” the NRC said, adding that “the focus of the humanitarian interventions remains emergency in nature due to the active conflict.” The NRC says over one million IDPs returned to their homes during 2019, but they did so in the absence of humanitarian conditions that would ensure their return was permanent. The [CCCM cluster](#) in Yemen also believes that durable solutions will be difficult without “the basic structures and circumstances that would allow safe return, resettlement and reintegration.”

So while UN-affiliated and other agencies have been discouraging the displaced from taking up permanent residence in camps, they are unable to offer a secure alternative or the ability for them to safely return home. As a result, for more than seven years, a generation of displaced children have lived in temporary, and often unplanned, IDP settlements in Hajjah and across Yemen. Their families hope to return one day to their local communities, without fear of being uprooted from their homes again.

Renewed fighting in [the Haradh area](#) this year means that Mariam’s family, like tens of thousands of others, will not be able to go home soon. “None of my family members or other local people have so far been able to return to our village,” she said. “We don’t know for how long we will be living as a displaced family.”

Mohammed Ali Kalfood is a freelance Yemeni journalist based between Sana’a and Hudaydah. He has written for several international news publications, including The New York Times, The Intercept, The New Humanitarian (formerly IRIN), The Media Line, The Telegraph and Al-Jazeera English. Prior to 2015, he worked as Managing Editor for the Yemen Observer newspaper.



A police tow truck drives up a flooded street in the Old City of Sana'a on July 26, 2022. Heavy rains have caused significant damage across Yemen, destroying homes, flooding roads, and leading to a number of deaths. // Sana'a Center by Asem Al Posi.

Heavy Rains Flood Sana'a's Old City

Heavy seasonal rains in July and August caused flash flooding across Yemen, cutting roads, destroying homes and crops, shifting minefields, and causing a number of deaths. The floods have affected more than 16,000 internally displaced families, who live in rudimentary shelters unable to withstand harsh weather. Many Yemeni houses are built from mud, increasing their susceptibility to structural damage from heavy rainfall. A number of roofs have already collapsed, and many fear theirs will follow if the rain continues.



A building severely damaged by flooding in the Old City of Sana'a on July 26, 2022. Heavy rains have caused significant damage across Yemen, destroying homes, flooding roads, and leading to a number of deaths. // Sana'a Center by Asem Al Posi.



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

