



# The Yemen Review

September 2022

## Truce Expires as Internal Divisions Deepen

September 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.

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*Cover Photo:*

*Members of the STC-affiliated 5th Support and Backup Brigade approach a residence after a joint campaign with Yemeni government forces took control of an AQAP camp in the Wadi Omayran area of Abyan governorate on September 22, 2022 //Sana'a Center photo.*

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<b>Summary</b>	<b>5</b>
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<b>Politics &amp; Diplomacy</b>	<b>6</b>
---------------------------------	----------

<b>Houthis Scuttle Truce Talks with Last-Minute Demands</b>	<b>6</b>
---	----------

Truce Expires	7
International Developments	9
Government Politics and Governance	10
Aden	11
Hadramawt	12
Al-Mahra	12
Houthi Politics and Governance	13
Military Parades	13
Sana'a	14

<b>Military &amp; Security</b>	<b>15</b>
--------------------------------	-----------

<b>STC Forces Move Farther into Abyan</b>	<b>15</b>
---	-----------

Marib	16
Taiz	16
Al-Bayda	17
Hudaydah	18
Al-Dhalea	18
Al-Jawf	18
Abyan	19
Shabwa	20
Landmines	21

<b>The Economy &amp; Finance</b>	<b>22</b>
----------------------------------	-----------

<b>Govt and Saudi Arabia Reach Agreement For New Fuel Grant</b>	<b>22</b>
---	-----------

Renewed Fuel Crisis Claimed in Houthi-Held Areas	22
New Saudi Fuel Grant Announced	23
Currency	24
Houthis Draft Law Seeks to Ban Usury	26
Telecommunications	26

---

<b>The Environment .....</b>	<b>27</b>
<b>First Phase of FSO Safer Operation Fully Funded .....</b>	<b>27</b>
FSO Safer .....	27
Flooding in Yemen.....	27
<b>Commentary .....</b>	<b>29</b>
<b>STC Talks with Baoum Could Shift Alliances in Southern Yemen .....</b>	<b>29</b>
<b>Photo Essay.....</b>	<b>32</b>
<b>Lessons in Survival .....</b>	<b>32</b>

# Summary

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The truce between the internationally recognized government and the armed Houthi movement, in place since April, was allowed to expire without renewal on October 2. The UN-facilitated agreement engineered the longest period of relative peace of the war. September saw intensive negotiations to extend and expand the truce, and optimism was high throughout the month, but talks broke down when the Houthis made an eleventh-hour demand for the payment of additional military salaries. Efforts to revive the agreement continue, and talks continue over public sector salaries, the reopening of roads, and flights out of Sana'a airport. There was no major resumption of hostilities after the truce expired, though low-level clashes remain frequent.

The Southern Transitional Council continues to expand its control in the south. Following last month's battle for Shabwa, the group has begun a nominally counter-terrorist campaign against Al-Qaeda in the Arabian Peninsula in Abyan, and has engineered demonstrations and protests against the presence of forces in Hadramawt.

Yemen's dual currencies remained stable over the course of the month. The government continued its efforts to secure a long-promised funding package from UAE and Saudi Arabia, though the latter has now renewed an agreement to provide fuel for Yemen's power plants. A fuel crisis in Houthi territory brought recriminations from both sides but was averted with the import of additional supplies.

Seasonal rains in Yemen continue to cause massive flooding, which claimed a number of lives this month. The UN announced that it has secured enough pledged funds to begin the salvage of the FSO Safer, a deteriorating oil storage vessel posing a massive environmental risk in the Red Sea.





Hudaydah Governor Hassan Taher carries the statement he read denouncing the Houthi seizure of land in Al-Qasra during a demonstration in Al-Khawkhah, Hudaydah, on September 20, 2022 // Sana'a Center photo by Anwar Al-Sharif.

## Politics & Diplomacy

# Houthis Scuttle Truce Talks with Last-Minute Demands

The truce between Yemen's internationally recognized government and the armed Houthi movement, in place since April, was allowed to expire without renewal on October 2. The UN-facilitated agreement birthed the longest sustained period of relative peace since the conflict began, with a concomitant drop off in civilian casualties. September was dominated by fruitless negotiations to extend and expand the agreement. UN Special Envoy Hans Grundberg shuttled across the region to build support for an extension, as government and Houthi negotiators sparred over the terms. Presidential Leadership Council (PLC) chairman Rashad al-Alimi, in New York to attend the annual meeting of the United Nations General Assembly, gave a speech accusing the Houthis of disregarding the provisions of the truce. In Yemen, Houthi leaders communicated their resolve to continue fighting with large military parades showcasing new weapons systems.

Negotiations for an extension and expansion of the agreement centered on the payment of public salaries, the reopening of roads, fuel imports to Hudaydah port and flights from Sana'a airport. Despite optimism that an extension would be agreed, talks broke down after Houthi negotiators made an eleventh-hour demand that the government pay some of its military salaries as well.

Efforts to revive the truce are ongoing, and no major military operations have taken place in the days following its expiration. The payment of salaries remains a major inducement for a new agreement as economic conditions deteriorate, though the Houthis may pursue the money by other means; the group has threats against international energy companies operating in the region should it not come through.

While the truce engineered a temporary peace between the major belligerents, internal tensions on both sides have increased in the interim, a trend which continued in September. Members of the PLC remain divided following the expulsion of Islah-aligned military and security forces

from Shabwa by UAE-backed forces in August. With Alimi out of the country for most of the month, STC President Aiderous al-Zubaidi continued to expand his political footprint in STC-controlled Aden, presenting himself as the de facto leader of the PLC. The STC expanded its territorial control in Abyan and Shabwa with a nominally counterterrorist campaign and publicly supported calls to expel Islah and other non-STC forces from Wadi Hadramawt and Al-Mahra, and orchestrated local demonstrations. Toward the end of the month, the PLC was summoned to a meeting with newly-appointed Saudi Defense Minister Khaled bin Salman, marking the first time all its members had met together since the council's formation in April 2022.

There were also signs of possible division within the Houthi leadership. With dueling military parades between the Houthi-aligned defense and interior ministries, contrasting rhetorics between movement leader Abdelmalek al-Houthi, Supreme Political Council President Mahdi al-Mashat and chief negotiator Mohammed Abdelsalem, and seeming ambivalence over a truce extension, the group may be divided about the best way forward amid deteriorating economic conditions and ongoing unrest in Houthi-held areas.



Yemenis celebrate the 60th anniversary of the founding of the republic during a rally on Jamal Street in Taiz city on September 26, 2022 // Sana'a Center by Ahmed al-Basha.

## Truce Expires

Despite optimism earlier in the month that the truce would be extended once again, concerns mounted later in September and it expired without renewal on October 2. The UN-facilitated talks, which sought to secure an expanded six-month truce, pitted a government under increased international pressure to secure an extension against a Houthi movement intent on extracting maximum concessions. A major discussion point in negotiations was a deal for Houthi forces to reopen roads into government-held Taiz city in exchange for the government's participation in a mechanism to pay civil servant salaries in Houthi-held areas. Citing the terms of the original April 2022 truce agreement, the government insisted on the reopening of the Taiz roads first, while Houthi negotiators demanded salary payments take precedence.

The Houthis also changed their position on who should receive salary payments throughout the month, initially demanding any agreement should cover employees hired by Houthi authorities since 2014, before seeming more open to only paying the workforce as constituted in 2014. Ultimately, the truce lapsed after an eleventh-hour demand by Houthi negotiators for payment of additional military and security salaries.

According to UN Special Envoy for Yemen Hans Grunberg, the UN put forward a proposal to the warring parties on October 1 that included the payment of civil servant salaries, the reopening of roads in Taiz and other governorates, additional destinations for flights in and out of Sana'a airport, and unhindered entry of fuel ships into the port of Hudaydah. The government reportedly agreed to this proposed extension, but at the eleventh hour the Houthis insisted on including additional personnel from its ministries of defense and interior to the list of state employees in its areas who have received irregular salary payments since 2014. The PLC rejected this demand. UN negotiators suggested another formulation, by which some public sector military and security personnel could be added, but no agreement was reached. UN Special Envoy Hans Grundberg said he is continuing efforts to reach a deal and prevent a return to major conflict.

Following the truce's expiration, limited shelling was reported across frontlines in Marib, Taiz, and Al-Dhalea, but there were no major troop or arms movements likely to invite the resumption of coalition airstrikes. The Houthis ordered energy companies working in Yemen to halt operations under threat of attack and warned those working in Saudi Arabia and the UAE that they could be targeted as well. The threats could be precipitated by recent government efforts to persuade French energy giant Total to revive exports from the Balhaf liquefied gas plant in Shabwa.

The Houthi volte-face on the truce was surprising in many quarters. There is clearly domestic pressure in Houthi areas for economic relief, the discussions on roads and salaries had been moving toward an agreement. The PLC accused the Houthi side of throwing a spanner in the works as a favor to Iran, or under specific pressure from the Iranian Revolutionary Guards Corps (IRGC), in the wake of anti-regime protests. The purported message would be that Saudi Arabia cannot have stability if Iran cannot enjoy the same. While it is possible that the IRGC acted on its own initiative or that the Iranian government is feigning ignorance, its foreign ministry has expressed support for a truce extension and Supreme leader Ali Khamenei has accused Saudi media of inflaming the situation.

The Houthi position could also reflect divisions within its leadership. Oman appears to have understood from Mohammed Abdelsalam, the Houthi negotiator in Muscat, that it had secured an agreement to a six-month extension, but the Houthi Supreme Political Council, headed by President Mahdi al-Mashat, issued a statement on October 2 rejecting the terms that had been under discussion. The truce itself had strained Houthi domestic cohesion, as different sectors of Houthi society competed over the control of resources, and the lack of conflict threatened to weaken the ideological glue holding disparate parts of the movement together. What the Houthi side wants at this juncture is not clear. Houthi officials in Sana'a have said in private that leader Abdelmalek al-Houthi decided well in advance that he would renew the truce only on condition of opening negotiations with Saudi Arabia. The likelihood at this point is either of another truce, preceded by some form of communication between the Houthis and Saudis, or a return to violence, potentially in new forms if the Houthi threat to oil and gas interests in Yemen and Saudi Arabia is to be taken seriously. A non-declared truce – a period of minor skirmishes absent a formal deal – could work in either party's favor, given the internal disputes in play on both sides.



The Houthi calculus may be that even in the absence of a renewal, the coalition will do all it can to refrain from cross-border strikes resuming ahead of the World Cup in Qatar in November – when coalition members Saudi Arabia and the United Arab Emirates both hope to attract visitors heading to Doha – which would allow Sana'a to focus on reinforcing its frontlines. With pressure and division mounting in both camps, the risk is that things spiral out of control.

## International Developments

Efforts to support the Yemen truce continued in September, with UN Special Envoy Hans Grundberg concluding a visit to Iran, where he met with Iranian Foreign Minister Hossein Amir-Abdollahian on September 5. From September 26-27, as the truce extension looked increasingly fragile, Grundberg visited Muscat, whose mediation proved helpful in previous negotiations with the Houthis, and later Riyadh. On September 15, US Special Envoy Timothy Lenderking returned to the US following a regional trip to Saudi Arabia, the UAE, and Oman. According to the State Department, his meetings with Saudi, Emirati, and Omani officials focused on efforts to extend and expand the truce agreement.

PLC chairman Rashad al-Alimi traveled early in the month to Abu Dhabi and Riyadh to seek financial support and ease tensions with Islah-aligned elements of his coalition following the UAE-backed advance into Shabwa governorate in August. Alimi left for a state visit to Germany on September 12, during which he met with German Chancellor Olaf Scholz, who would later visit Saudi Crown Prince Muhammad bin Salman in Riyadh on September 25. From Berlin, Alimi traveled to the US on September 18 to participate in the annual United Nations General Assembly, meeting with US Secretary of State Antony Blinken and Lenderking on September 19. In his speech before the General Assembly on September 22, Alimi accused the Houthis of looking for excuses to thwart the truce and block international efforts to achieve a comprehensive peace.

On September 28, as part of a cabinet reshuffle, Saudi Arabia's King Salman named his son, Crown Prince Mohammed bin Salman (MBS), prime minister, a post traditionally held by the king. Salman also promoted another son, Prince Khaled bin Salman, from deputy defense minister to defense minister. MBS, who is widely regarded as the kingdom's de facto ruler, held the positions of deputy prime minister and defense minister before the latest shakeup.

Following the expiration of the truce, Yemeni government Defense Minister Mohsen al-Daeri and Army Chief of Staff Saghir bin Aziz met with the command of the Saudi-led military coalition in Riyadh on October 3, including commander of coalition forces Mutlaq al-Azima. According to Bin Aziz, the discussions focused on "the current military situation across frontlines and operational plans in preparation for the next stage."

On September 7, Eritrean authorities released 198 Yemeni fishermen who had been detained on Tarma Island for more than two months. The fishermen were reportedly subjected to torture and forced to perform hard labor. Eritrea occupied the Hanish Islands from 1995 to 1998, when an international arbitration court granted Yemen sovereignty. 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 during the conflict.

## Government Politics and Governance

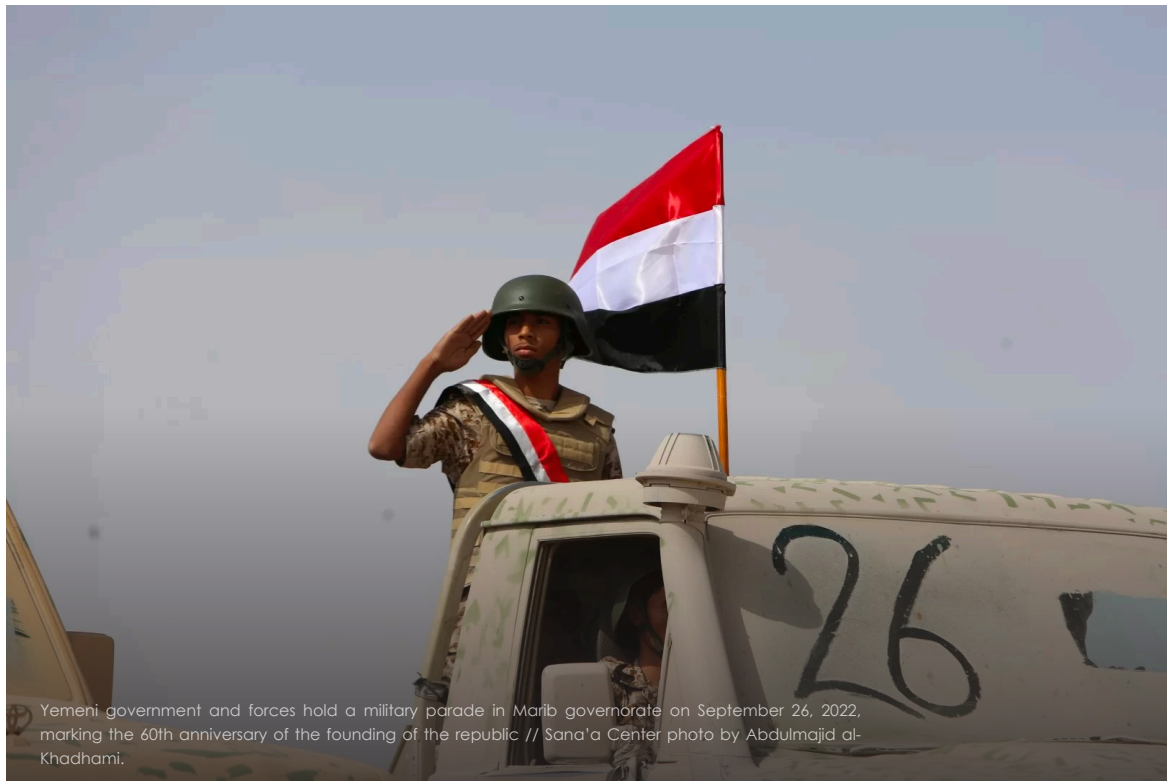
Capitalizing on the absence of PLC chief Rashad al-Alimi, the STC continued its campaign to deepen and expand its influence. STC President Aiderous al-Zubaidi met with a range of southern stakeholders throughout the month, and was seen by some as presenting himself as the de facto head of the PLC. On September 18, Zubaidi chaired a special ministerial meeting attended by Prime Minister Maeen Abdelmalek, where he announced that it is no longer acceptable for ministers and their deputies to carry out their tasks from outside of Yemen and urged the resumption of all work from the government's headquarters in Aden. The interim capital is controlled by the STC. Zubaidi criticized "the irresponsibility of some ministers and their hesitancy" as they continue to work from outside the country, and threatened to suspend the salaries of those who do not return. Facing financial pressure, the PLC is also reportedly on a drive to remove officials from the government's bloated payrolls. Ministers and other officials are being pushed to return from exile abroad in places such as Egypt and Turkey, so that non-compliance can be used as a reason to let them go and save money. A series of unofficial attachés appointed to embassies since 2015 are thought to cost the government some 9 billion Yemeni rials (US\$36 million) a year. Most ministers, including those affiliated with Islah, are currently in Aden; the security situation is seen as sufficiently under control with the domination of Zubaidi's STC forces.

In late September, Saudi Arabia called the members of the PLC to Riyadh, where they met with Defense Minister Prince Khaled bin Salman on September 28. The Riyadh meeting was the first time all members of the PLC had been in the same place since the council's formation in April 2022. Bin Salman was reportedly trying to make up for the Saudi absence over the summer, when the PLC was destabilized by the fighting in Shabwa. Abdullah al-Alimi, an Islah-affiliated figure on the PLC, argued for a deal whereby the Islah-affiliated Special Security forces would be able to return to Ataq and the UAE-backed Giants Brigades would withdraw, while Marib governor and PLC member Sultan al-Aradah argued that Shabwa governor Awadh bin al-Wazir al-Awlaki should resign.

Despite his return to Aden on September 5, after almost two months abroad for medical treatment, Prime Minister Abdelmalek Saeed maintained a low profile in September, only attending the cabinet meeting chaired by STC President Zubaidi on September 18. One reason is likely a desire to tamp down speculation that has been swirling for months over his potential replacement, not least since Saeed is one of three Taiz natives in a senior government position, alongside Alimi and parliament speaker Sultan al-Barakani. A lot happened during his absence, including a series of key ministerial and governmental appointments as well as the violence in Shabwa. Any decision to replace him would likely come from Riyadh, but the recent turmoil in the south could militate in favor of keeping him in place. Aden Governor Ahmed al-Lamlas – one of those tipped as a possible successor – was notably active in September, taking public stances on the paying of teachers' and military salaries, and making a vow to striking teachers that their salaries would be paid, although the issue is legally outside his remit.

On September 26, commemorations across Yemen marked the 60th anniversary of the founding of the republic. Festivities included the lighting of torches, fireworks displays, and the playing of republican songs. The commemorations, particularly in Houthi-held areas, have been interpreted in some quarters as a symbol of rejection of Houthi rule. Houthi authorities were keen to suppress popular gatherings in support of Revolution Day, which was marked only by a speech from Mashat accusing foreign powers of having sought to undermine Yemeni independence since

1962. Marib Governor Sultan al-Aradah, who is affiliated with Islah, organized a large military parade in Marib. The show of force seemed intended as a message not only to the Houthis, but to Islah's STC adversaries, indicating that it is still a force to be reckoned with. In Hadramawt, dozens of people from the Bakathir tribe and other locals celebrated the anniversary in the streets of Seyoun on cars and motorbikes, touring the city and raising the Yemeni flag. Dozens of people also celebrated in the streets of Mukalla, where units from the security and military forces arrested a number of people, reportedly for raising the Yemeni flag. STC-aligned media outlets accused the detainees of being northerners and supporters of Islah.



## Aden

STC-aligned authorities in Aden governorate were accused of multiple press freedoms violations in September, probably reflecting an attempt to increase the group's control over media in the interim capital. On September 6, Islah-affiliated journalist and researcher Fouad Massad sent a letter to local, regional, and international press freedom organizations, in which he claimed the deputy head of the Southern National Media Authority, Mukhtar al-Yafi'i, had prevented him from conducting an interview with BBC Arabic TV and forbade him from any future interviews with satellite TV channels in Aden. Massad accused Yafi'i of distributing a list of journalists who refuse to conform to his guidelines to media outlets, alerting them that these journalists are prohibited from speaking to the media. On September 7, Yafi'i denied the allegations in a press statement, claiming that they coincide with an Islah media campaign aimed at insulting the south, the STC, and the armed forces involved in counter-terrorism operations in Abyan governorate.

On September 20, armed men raided the headquarters of the Yemeni Journalists Syndicate (YJS) in Aden's Al-Tawahi district. Hours later, following orders from Director of Aden Security Major General Mutahhar al-Shuaibi, police led by the Director of Al-Tawahi Police Amjad al-Subaihi intervened and instructed the men to evacuate the headquarters. The raid follows the formation of the STC-sponsored Preparatory Committee for the Southern Journalists Conference in Aden governorate earlier in the month and an incitement campaign by STC-aligned media against the YYS.

## Hadramawt

Following the appointment of new governor Mabkhoot bin Madi in early August, Hadramawt governorate continued to see STC agitation for the removal of Islah-aligned officials from Wadi Hadramawt. In concert with the expulsion of Islah from Shabwa in August and growing protests in neighboring Al-Mahra governorate, there are signs of a looming confrontation.

On August 31, a group calling itself the Youth of Anger in Wadi Hadramawt issued a statement calling on youth, community members, associations, and trade unions to take part in peaceful demonstrations in the cities and districts of Wadi Hadramawt. According to the statement, the protests aimed to put an end to the alleged systematic targeting of Hadramis and to protest worsening economic conditions. The organizers also called for the removal of the Islah-aligned 1st Military Region command. Hundreds demonstrated on September 2 in the city of Tarim, during which flags of the former South Yemen were raised. On September 23-24, in response to a call by STC-affiliated local committees, protesters in Al-Qatn city, Hawra city, and the Sah district of Wadi Hadramawt rallied to call for the removal of forces of the Islah-aligned 1st Military Region. On September 17, the STC Presidium reaffirmed its support for what it called popular protests, commending “the momentum” that protestors had created with their peaceful demonstrations to demand the replacement of “northern forces.”

On September 12, Hadramawt Governor Bin Madhi arrived in Seyoun, Wadi Hadramawt to tour the Valley and Desert districts for the first time since his appointment on July 31. The following day, Bin Madi delegated Assistant Undersecretary for Hadramawt Valley and Desert Affairs Hisham Mohammed al-Saidi to carry out the work of the executive offices, in practice replacing Hadramawt Deputy Governor Essam al-Kathiri, a pro-Islah official who was suspended by former Hadramawt Governor Faraj al-Bahsani before being reinstated in late July. On September 19, Bin Madhi dismissed a number of advisors and indicated that his office will take a new approach of listening and seeking consultations in an inclusive manner that includes civil society actors. Following the announcement, the UAE reportedly sent a plane to take the governor to Abu Dhabi. Although there was speculation that Mahdi's meetings in the UAE will discuss potential replacements for pro-Islah officials in Wadi Hadramawt, other theories posited his trip was a sign of Emirati displeasure at some of his new appointments, including the removal of some local STC officials and the director of the Education Ministry's office in coastal Hadramawt, Jamal Salem Abdoun.

Despite being removed as Hadramawt governor in late July, PLC member Faraj al-Bahsani also remained an active presence in the governorate. On September 6, Bahsani met with the executive director of the Al-Awn Foundation for Development in his office in Mukalla. Prior to the meeting, Bahsani received Hadramawt Governor Bin Mahdi to discuss the performance of local authorities and plans to provide services to citizens. He also held recent meetings with officials from the Ministry of Oil and Minerals, religious leaders, and security officials.

## Al-Mahra

Al-Mahra saw increased tensions in September as the STC continued attempts to increase its influence in the governorate and in neighboring Wadi Hadramawt. On September 4, the Peaceful Sit-In Committee accused Saudi Arabia, the UAE, and “their proxies” of planning to spread chaos and conflict in Al-Mahra, after a group of STC supporters demanded the removal of “northern forces,” particularly those affiliated with the Islah party. The Committee, which is backed by Oman and opposes the presence of coalition forces in the governorate, has a relatively stable relationship with the northern military forces that the STC is targeting. Its leader, Sheikh Ali al-Hurayzi, has issued several warnings to the STC about dragging Mahris into conflict and has pledged to defend the governorate from outside forces.



Tensions were further highlighted by several pro-STC demonstrations. On September 6, thousands of people in the districts of Sayhut and Al-Masila protested in the streets, and on September 8 long convoys of cars toured the streets of Al-Mahra's capital Al-Ghaydah demanding the exit of the military forces affiliated with the Islah party. On September 16, STC officials, including Vice President in Al-Mahra Hassan Mahdi Balhaf, delivered speeches to large crowds of protesters in Qishn district, echoing demands for the removal of military forces from northern governorates. On September 22, the STC announced the launch of an organizational center in the Hassai area of Al-Masilah district in the presence of a number of tribal sheikhs and dignitaries. The aim of the STC rallies appears to be to get a sense of the public's willingness to mobilize against northern military units, while also weakening the morale of these forces. However, the STC leadership seems concerned about a potential alliance between these forces and the Peaceful Sit-In Committee led by Hurayzi, who has repeatedly warned the STC against a power grab in the governorate.

Oman's long-standing influence in Al-Mahra raises the stakes for any STC-UAE action and will be a major test for Saudi Arabia. Riyadh acquiesced in the takeover of Shabwa, but it is unclear whether it would object to the STC moving against Islah in Hadramawt. The Saudi leadership has moved closer to Oman since Sultan Haitham took over in 2020, but Omani military maneuvers in August in its Dhofar region, which neighbors Al-Mahra, appear to have been intended as a message that it will try to stop the STC, which it sees as a UAE proxy, from bringing Al-Mahra into its fold. Oman's relations with the UAE have been fractious in recent years, most notably after Muscat announced it had uncovered a UAE spy ring in 2011. Saudi Arabia is thought to be sympathetic to the UAE's desire to defang Islah in southern governorates, but will not want to risk Oman increasing its cooperation with the Houthis in retaliation. Al-Mahra has seen several years of popular protests against the Saudi presence, which recently led to a coalition raid on the home of Hurayzi. The Saudis accuse Hurayzi of links to military camps concealed in the rugged Oman-Yemen border area that have enabled arms smuggling.

## Houthi Politics and Governance

### Military Parades

Houthi preparations for the truce's possible collapse were made clear throughout September in a series of military parades to display new missiles and other weapons. After a smaller parade held by the Houthi-aligned Ministry of Interior on September 15, on September 21 the Houthis celebrated the eighth anniversary of their takeover of Sana'a with a large military parade in Al-Sabaeen Square. Revealing capabilities many thought had been destroyed early in the war, a helicopter and drones flew above a procession of ballistic missiles, drones, missiles, naval mines, armored vehicles, military boats, and Houthi fighters. Many of the weapons on display were of Iranian origin, despite Houthi claims that they had been produced domestically. Several "Houthi" missiles are simply renamed Iranian rockets: the Hatem missile is the Iranian Khyber missile; the Robej naval missile is the Iranian Hoveyza missile; and the Bab al-Mandab missiles 1 and 2 are the Iranian Nour and Qadir missiles.

The parades were intended as a message of strength to back up the Houthi negotiating position, but the separate events also appear to reflect internal rivalries. Interior ministry forces organized the parade in Sana'a on September 15, the military organized a major parade in Sana'a on September 21, and others have been held in recent weeks in Ibb, and in Hudaydah by forces loyal to Houthi military commander Yousef al-Madani. Speeches by Houthi leaders at the September 21 parade also hinted at potential divisions, with Houthi Supreme Political Council head Mahdi

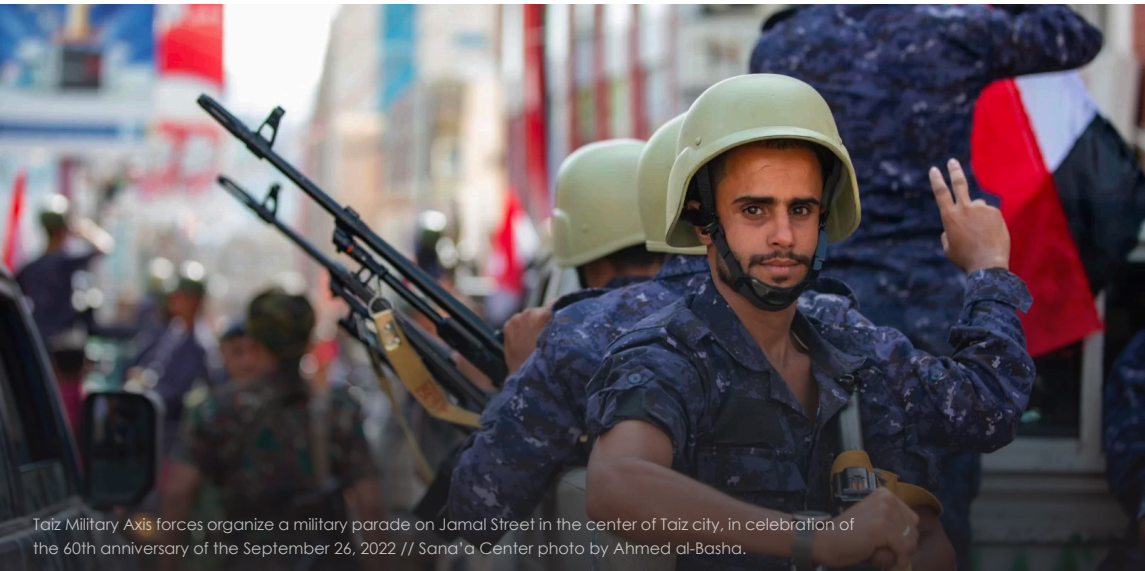
al-Mashat adopting more dovish rhetoric, while Houthi leader Abdelmalek al-Houthi issued a warning about the resumption of hostilities, and spent considerable time assailing internal critics of Houthi policies.

## Sana'a

Sana'a witnessed multiple attacks targeting judges and other officials in September. On September 1, former member of parliament Abdullah Mohammed al-Kibsi was shot and killed in front of his home in Sana'a by his brother-in-law. The Houthi-run Ministry of the Interior announced that Kibsi's brother-in-law was later arrested in Dhamar governorate. The same day, Supreme Court Judge Mohammed Hamran was killed by kidnappers two days after being abducted from his home in Al-Asbahi area of Sana'a city. The kidnappers, widely believed to be affiliated with the Houthis, were reportedly arrested during a raid by security forces in the Haddah neighborhood. Hamran had been the target of criticism and incitement by influential media figures and Houthi leaders. In response to the killing, sheikhs and community figures from Ibb governorate, where Hamran is from, launched a sit-in protest on Al-Sabaeen Street in Sana'a, demanding that the killers be brought to justice and that an investigation be launched to determine who was behind the smear campaign against the judge. The Yemen Judges' Club also announced the suspension of work at prosecution offices and courts. Judges in Houthi-run territories are still paid by the Aden-based government, which in the Houthis' view explains their resistance to its plans to reform the judiciary, including removing and replacing judges to bring it under their control.

On September 21, the tribes of Bani al-Harith issued a call for armed mobilization in response to the Houthis' imprisonment of eight senior sheikhs who reportedly refused to pay extra levies for quarrying on their lands in Bir al-Ra'i, northeast of the capital Sana'a. The sheikhs are reportedly Houthi supporters, who had supplied the group with young fighters for the frontlines. Following a meeting of the Bani al-Harith tribes on September 22, a statement was issued demanding Mohammed Ali al-Houthi himself be detained alongside the sheikhs.

On September 21, Houthi forces forced merchants throughout the governorate to paint the doors of their shops green, install decorative lights, and hang banners bearing slogans celebrating the Prophet's birthday. Each shop was also required to pay an annual fee, ostensibly to help fund the upcoming celebrations. Imposing taxes related to a growing list of religious holidays and other Houthi-sponsored celebrations has become a considerable source of revenue for the group.



Taiz Military Axis forces organize a military parade on Jamal Street in the center of Taiz city, in celebration of the 60th anniversary of the September 26, 2022 // Sana'a Center photo by Ahmed al-Basha.

## Military & Security

# STC Forces Move Farther into Abyan

The military situation between government and Houthi forces remained largely stable in September, with no major military operations undertaken by either side despite ongoing low-level clashes, mostly in Marib, Taiz, Hudaydah, Al-Bayda, and Al-Dhalea governorates. An uptick in Houthi attacks was reported along these fronts in the days following the expiration of the truce on October 2, but government military officials tended to characterize these attacks as conforming to existing dynamics. As of October 6, no large-scale military offensive had been reported.

Behind the frontlines, low-level conflict continued between various government-aligned units, with Islah-aligned and UAE-backed forces observing an uneasy detente along the Shabwa-Hadramawt border and along the international highway linking Al-Abr to Shabwa. Islah-aligned forces remain concerned that the UAE-backed Giants Brigades will attempt to advance toward the Al-Abr border crossing with Saudi Arabia en route to Islah-controlled Wadi Hadramawt. In Jawf Governorate, the continued house arrest of Islah-aligned government political and military officials may have provoked an attack on border guards that resulted in the death of a Saudi officer.

In southern Yemen, STC-aligned forces continued their nominally counter-terrorist campaign against Al-Qaeda in the Arabian Peninsula (AQAP) in Abyan and Shabwa governorates. In Abyan, Operation Arrows of the East continued into the central and northern portions of the governorate, with STC and government security forces taking control of the Omayran Valley, one of the largest AQAP strongholds in Yemen. Forces in Shabwa launched Operation Arrows of the South to target AQAP positions along the governorate's border with Abyan, securing several areas and reportedly arresting the brother of a prominent AQAP leader. AQAP fighters reportedly fled into Houthi-controlled Al-Bayda and the mountainous areas along the Abyan-Shabwa

border, and AQAP publicly announced its “Arrows of Truth” campaign against STC-aligned forces in southern Yemen. As of the end of September, STC-aligned forces were awaiting further authorization from STC President Aiderous al-Zubaidi to launch the fourth phase of Operation Arrows of the East, targeting Al-Mahfad district in eastern Abyan.

## Marib

Fighting continued along the Marib fronts in September in a familiar pattern of skirmishes and artillery exchanges in the Al-Balaq mountains and Serwah district to the south and west of Marib city. Mid-month, Houthi forces sent sizable reinforcements to the Jabal Ablah front facing the Giants Brigades in Al-Abdiyah district in the southern part of the governorate, raising concerns of a return to more intense fighting. Following the expiration of the truce, government forces claimed to have repelled Houthi attacks to the northwest, west, and south of Marib city, but characterized the clashes as conforming to usual activity.

## Taiz

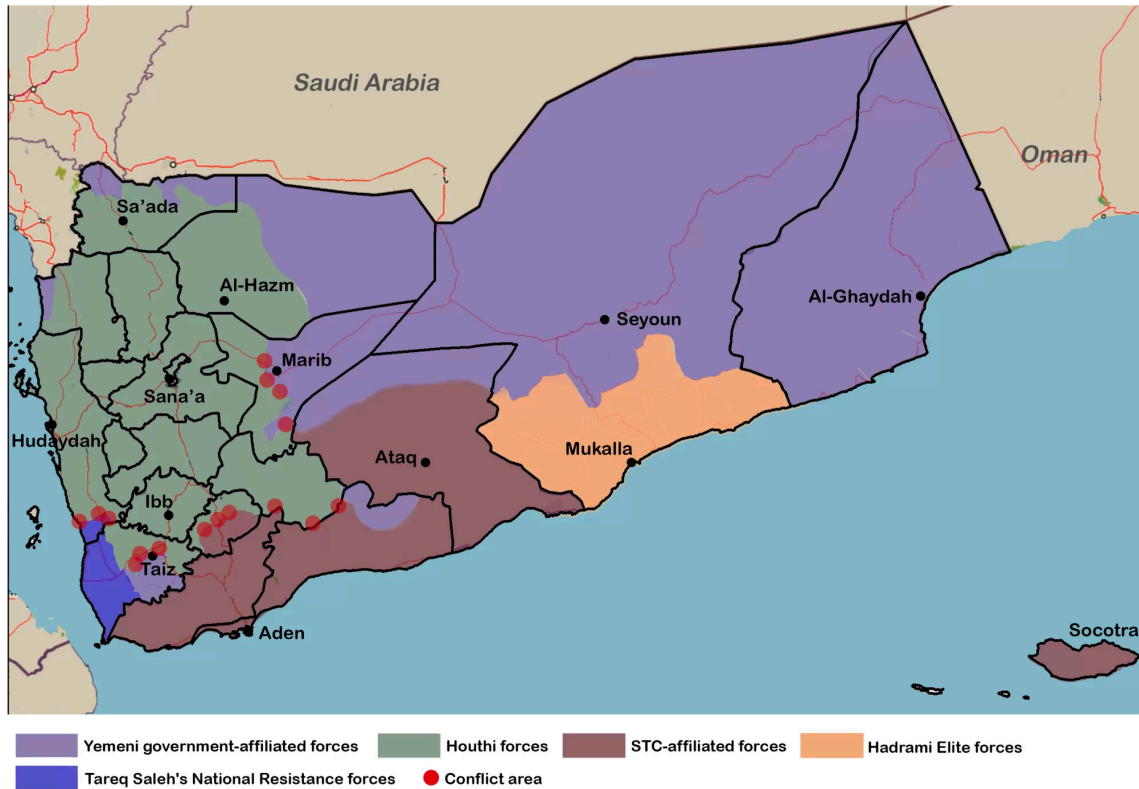
Fighting between Houthi and government forces continued to the west of Taiz city in early September, following a major Houthi attack toward the Al-Dhabab area in late August, which contains the last major government-held road into Taiz city. Clashes and shelling were also reported on Taiz city’s western and northern frontlines at Al-Rubaie, Al-Rawd, and Al-Sitteen on September 2, with Houthi shelling also reported in the eastern and northern parts of Jabal Habashy district. Following the expiration of the truce, the Taiz Military Axis reported Houthi attacks to the west and east of Taiz city, in the Kalabah neighborhood, and along the Taqir front in Maqbanah district.

Behind the frontlines, various Yemeni government-aligned units clashed with each other and civilians. A notable trend was instances of soldiers and security officials using their influence to pursue personal interests. On September 6, soldiers with the Islah-affiliated Taiz Military Axis stormed the Al-Shaibani Company in western Taiz city. According to a statement released by the company, the attack came after its management rejected extortion attempts by a group of armed men led by a soldier with the 170th Air Defense Brigade named Amr Ahmed al-Mikhlaifi. On September 12, armed men with the 170th Air Defense Brigade led by Jamal al-Majidi stormed the home of journalist Salah al-Jundi in downtown Taiz city, reportedly to intimidate him into leaving the home because they wanted the property. On September 30, forces from the 22nd Mechanized Brigade under the command of Ghazwan al-Mikhalafi attempted to steal qat under the protection of forces from the 170th Air Defense Brigade loyal to Haitham al-Jaa’shani. The fighting, which terrified local residents and saw a number of bullets strike civilian homes, resulted in the death of a member of the 170th Air Defense Brigade and the wounding of six others, including a civilian.

On September 17, the military committee led by Islah-affiliated Brigadier General Abdo Farhan, also known as Salem, the de facto military ruler of Taiz, gave the Royal Hotel on Jamal Street back to its owners. The handover came seven years after Shakib Khaled Fadel, the son of the commander of the Taiz Military Axis and a member of the 145th Infantry Brigade, seized and occupied the property. Over the past two months, the military committee has negotiated the handover of a number of properties in Taiz city, including homes and government facilities, as part of efforts to restore public confidence in the local authorities. However, numerous plots of land, private homes, government buildings, and schools remain in the hands of influential figures in the Islah-affiliated Taiz Military Axis.



## Yemen Zones of Conflict and Control (September 2022)



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On September 25, an explosive device detonated near a security checkpoint of the 35th Armored Brigade at the entrance to the city of Al-Turbah. The explosion destroyed a passenger bus, killing one civilian and wounding three others onboard. Residents say the city and the surrounding Al-Hujairah area have experienced increased insecurity since forces of the Taiz Military Axis assumed control of the area in July 2020.

On September 21, the government's Council of Ministers announced approval for the opening of Al-Mokha's airport to international flights. The Red Sea port city is under the control of Brigadier General Tareq Saleh, commander of the UAE-backed National Resistance forces and a member of the PLC. Opening the airport could alleviate the suffering of civilians in the area, who currently have to cross checkpoints and frontlines to reach the airports in Sana'a and Aden.

### Al-Bayda

Intermittent clashes between Houthi forces on one side and Yemeni government and STC-aligned forces on the other continued throughout September, particularly along the border areas of Houthi-controlled Al-Bayda governorate and the government-controlled Abyan, Lahj, and Shabwa governorates. On September 7, a Houthi sniper shot dead the commander of the Fourth Support and Backup Brigade in Bayda's Zahir District, leading to hour-long clashes between Houthi and Security Belt forces in the Yafa region along the Al-Bayda-Lahj border. On September 9, clashes were reported along the Aqbat Tharah front straddling Abyan's northwest Lawdar district and Al-Bayda's southern Mukayras district after Houthi forces on top of Aqbat Tharah targeted pro-government and Southern Resistance forces below. To the northeast, clashes between Houthi and Giants Brigades forces were reported in northeast Nate and Naman districts near the Bayda-Shabwa border throughout the month.

Al-Bayda saw increased Al-Qaeda activity in September, as the STC's Arrows of the East counter-terrorist campaign continued to target AQAP positions in neighboring Abyan governorate, forcing its retreat from Abyan's Jayshan district to Al-Bayda's Al-Sawma'ah district. On September 3, unknown gunmen thought to be affiliated with AQAP attacked a Houthi-run checkpoint at the eastern entrance to Radaa city in southwest Al-Bayda, reportedly killing 12 Houthi soldiers.

## Hudaydah

Houthi troops and soldiers from the Joint Forces exchanged artillery and mortar fire across frontlines in Hudaydah throughout September. On September 23, a Houthi drone attack on pro-government Joint Forces in Al-Shua'oob area of Hays district killed three soldiers from the 7th Giants Brigade. On September 26, clashes erupted between the Houthis and Joint Forces stationed in the northern parts of the Al-Roun area, killing one soldier from the 7th National Resistance Brigade. Houthi forces mobilized in the north and northwest of Hays district and in southwest Al-Tuhayta governorate ahead of the truce deadline. After it passed, coalition forces claimed to have repelled Houthi attacks in Hays district in the southeastern part of the governorate bordering Taiz.

On September 13, armed plain-clothes men affiliated with the Houthi-run Central Security forces in Hudaydah destroyed infrastructure and property in the villages of Taraf Yahya Sahel, Al-Khudaria, Bani Al-Sabahi, and Al-Maarif, in the sub-district of Al-Qasra, 20 kilometers south of the city of Bayt al-Faqih in southern Hudaydah. Witnesses said that the escalation by Houthi forces, who brought bulldozers and military vehicles, came after a 15-day operation during which 38 people were detained in the Al-Husainyah police station. Houthi forces used trucks to destroy fences separating agricultural lands and pastures used to tend sheep, and destroyed water distribution networks for irrigating crops. The detentions and destruction follow repeated warnings to local residents to leave their homes. Talal Salem Zabel, the Houthi-aligned Director of the Industry and Trade Office in the Bayt al-Faqih district, accused residents of having appropriated land owned by the state and said that there were legal provisions that gave the people the choice of returning the lands to state ownership or renting them from the State Lands and Real Estate Authority. Residents said the campaign was carried out by a Houthi supervisor known as Abu Yassin, who oversees the "southern square" of the governorate; a man known as Abu Amin, who runs the Houthis' Preventive Security forces in southern Hudaydah; Abu Atef, the Houthi supervisor of Bayt al-Faqih district; and Abu Qatada, a Houthi military supervisor.

## Al-Dhalea

Clashes between Houthi and STC-aligned forces in Al-Dhalea continued in September, with much of the fighting concentrated in the governorate's northern Qataaba district. Multiple Houthi explosive-laden drone attacks were reported on the district's Al-Fakhir and Bab Ghalq fronts throughout the month. STC-aligned forces reported Houthi shelling along the Al-Fakhir front after the truce expired.

## Al-Jawf

While Houthi forces hold most of the populated areas of Al-Jawf governorate, tensions surrounding government-aligned Jawf Governor Amin al-Ukaimi boiled over in September. On September 4, a group of politicians, sheikhs, and military and security officials aligned with the Islah party appealed to the PLC to end his alleged house arrest. Ukaimi, who is also the

commander of the Al-Jawf Military Axis, has reportedly been under house arrest in Riyadh for several months. The coalition command accused him of corruption, most notably through the inclusion of ghost soldiers in the military units under his command.

On September 13, three armed men crossed the border with Saudi Arabia in Al-Jawf's northeast Al-Yatama area and ambushed a Saudi border patrol. One Saudi officer was killed and two others were wounded in the attack. The area is controlled by pro-government forces and has no Houthi military presence. Analysts linked the incident to the detention of Ukaimi and the commander of the government-aligned 6th Military Region, Brigadier General Heikall Hantaf, who was detained in Jeddah on September 9, reportedly due to his unauthorized deployment of border forces to Marib. Both Ukaimi and Hantaf are seen as powerful pro-Islah leaders. Some analysts see the attack as a message from allies of the two men that they are still able to wield influence in the governorate, despite the Saudi government's attempts to sideline them. Others argue that the perpetrators were likely affiliated with UAE-backed figures on the PLC who seek to benefit from the replacement of the two men.

Following the incident, Saudi border guards reportedly entered Yemeni territory and set up roadblocks. On September 20, a group affiliated with the 14th Border Guards Brigade, known as the Al-Zafir, supported by Saudi coalition forces, arrested Colonel Khaled al-Sufi and other members of the 1st Border Guards Brigade at the Al-Khadraa border crossing in apparent connection with the attack. Sufi was handed over to Saudi authorities and transferred to Najran. Sufi was appointed to lead the border guard brigade after Hantaf's arrest and is suspected of retaliating against the Saudis out of loyalty to Hantaf.



## Abyan

The STC's Arrows of the East counter-terrorism campaign continued in Abyan in September, with STC-aligned forces claiming to take several AQAP strongholds by the month's end. On September 6, a particularly bloody AQAP attack on a Security Belt forces checkpoint in Ahwar district killed 21 STC-aligned fighters and 7 AQAP insurgents. On September 11, STC-aligned forces launched a new phase of Operation Arrows of the East, targeting AQAP strongholds in the Ahwar, Wadea, Mudiya, and Lawdar districts.

Composed of pro-government General Security and Special Security forces and STC-aligned Security Belt forces, the campaign made significant inroads into northern Abyan despite fierce resistance, reaching the center of Mudiya district by September 12. On September 14, the campaign attacked militants at one of the largest Al-Qaeda camps in Yemen, in the Omayran Valley in Mudiya district. The forces eventually drew back from the camp after facing ambushes and IED explosions but continued to take positions around the valley. By September 20, the campaign had established control over the entire Omayran Valley, forcing AQAP fighters to flee to Abyan's northeastern border with Al-Bayda.

On September 22 and 23, tribal sheikhs and dignitaries of the Rubaiz and Al-Ghassil tribes along the Abyan-Shabwa border notified Al-Qaeda leaders that the group was not welcome in the area and gave the militants 48 hours to leave their tribal lands. On September 24, Abyan Governor Abu Bakr Hussein Salem announced plans to launch a fourth phase of the nominally counter-terrorist campaign, which will target Al-Qaeda elements in Al-Mahfad district, pending authorization from STC President and PLC member Aiderous al-Zubaidi.

In response to its recent losses, AQAP has become increasingly active both rhetorically and operationally in Abyan. On September 3, AQAP broadcast a video message from a kidnapped UN official abducted in February 2022, demanding that the UN meet the group's demands in order to save his life. On September 13, Ansar al-Sharia, an AQAP affiliate in Yemen, announced a counter operation to the STC's Arrows of the East operation called Arrows of Truth. A statement announcing the operation described it as a response to the UAE's efforts to enable the STC to take control of southern governorates.

## Shabwa

Islah-aligned and UAE-backed forces continued to jockey for position along Shabwa governorate's northern borders with Hadramawt and Marib governorates in September, after UAE-backed forces drove Islah-aligned forces out of Shabwa in August. In late August and early September, Islah military forces continued to mobilize to Areen Camp in the desert between Shabwa and Marib. Later in the month, the 23rd Mechanized Brigade of the Islah-affiliated 1st Military Region's Al-Abr Axis fortified military sites and security checkpoints on the Shabwa-Hadramawt border and along the international highway linking Al-Abr to Shabwa. The military buildup, which included the deployment of heavy weapons and tanks, was driven by fears that the UAE-backed Giants Brigades would advance toward the Al-Abr crossing en route to Islah-controlled Wadi Hadramawt. The STC has orchestrated protests calling for the expulsion of Islah-affiliated military forces in Wadi Hadramawt and in neighboring Al-Mahra governorate. On September 4, the leadership of the STC-aligned Ataq Military Axis reportedly sent a telegram to the leadership of the 3rd Military Region, requesting the return of all of its forces to their military units. The message was directed at pro-Islah forces that fled to Marib following the August clashes.

In conjunction with the STC-led Arrows of the East counterterrorism operation in Abyan, the UAE-backed Special Anti-Terrorism forces, consisting of units from the Hadrami Elite forces, Giants Brigades, and 1st and 2nd Brigades of the Shabwa Defense forces, launched Operation Arrows of the South in Shabwa's Al-Saeed district bordering Abyan. The operation began at dawn on September 10. After setting up security checkpoints, the forces reportedly clashed with Al-Qaeda elements in Wadi Sara' before arresting Ahmed al-Tusali, the brother of prominent Al-Qaeda leader Abu Awwad al-Tusali. Within days, the forces were reported to have seized control of the areas of Wadi Sa'ra, Al-Tuffa, Mathab, Ayan, and the Al-Kour mountains, where Al-Qaeda fighters were known to be stationed. Suicide belts, explosive devices, and light and medium



## STC Forces Take Territory in Abyan (September 25, 2022)



weapons were seized. Some Al-Qaeda fighters fled to the mountains in neighboring Abyan. Following the completion of the first stage of the operation, counter-terrorism forces announced that the 1st Brigade of the Shabwa Defense forces would secure the area.

On September 5, an IED believed to have been planted by AQAP killed two Shabwa Defense Forces fighters in Merkhah al-Sufla district in western Shabwa, and an IED attack claimed by Al-Qaeda affiliate Ansar al-Sharia killed two soldiers of its 2nd Brigade in Ataq on September 10. On September 27, five remote-controlled explosive devices were found in the Wasit area of the Merkhah al-Sufla district in west Shabwa. The devices were planted on the sandy road to the camp of the 5th Brigade of Shabwa Defense forces. An engineering team affiliated with the brigade was able to dismantle and dispose of the explosives.

## Landmines

Landmines continued to be a concern across Yemen in September. Hudaydah governorate remained a hotspot for civilian mine casualties, with at least six civilians killed in landmine detonations in Hays, Al-Durayhimi, and Al-Hali districts and in Hudaydah city.

On October 1, an explosion targeted a military vehicle belonging to a Giants Brigade mine clearing team in the Al-Sawda area, west of the city of Ataq, in central Shabwa. An explosive device was planted in a vehicle belonging to an engineering team specialized in clearing mines as it stood near the qat market. The explosion killed one of the engineering team and injured three civilians, including two children of ice cream sellers, and damaged a small bus belonging to resident Fayeze Boujleida.



A family collects food aid being distributed to villages in the Jahran district of Dhamar governorate on September 20, 2022 //Sana'a Center photo by Saqr Abu Hassan.

## The Economy & Finance

# Govt and Saudi Arabia Reach Agreement For New Fuel Grant

Economic developments in September centered on the fuel crisis in Houthi-held areas and the continued delay of the Saudi-Emirati economic support package to the government. In early September, Houthi authorities initiated an emergency plan in areas under their control amid reportedly severe fuel shortages. Houthi authorities accused the coalition of being behind the shortage, citing a backup of fuel ships outside the port of Hudaydah, while the government accused the Houthis of manufacturing the crisis by preventing fuel merchants from submitting agreed-upon import documentation. The fuel crisis was ultimately averted in mid-September when the government allowed eight fuel ships into Hudaydah.

Although new Yemeni rials remained relatively stable in government-held areas through most of September, the threat of renewed exchange rate instability persisted, with Riyadh and Abu Dhabi continuing to withhold promised financial support for the Central Bank of Yemen in Aden (CBY-Aden). At the end of September, Saudi Arabia and the Yemeni government reached an agreement to provide the latter with a new oil derivatives grant, worth US\$200 million, to support power plant operations in areas of Yemen under the government's control.

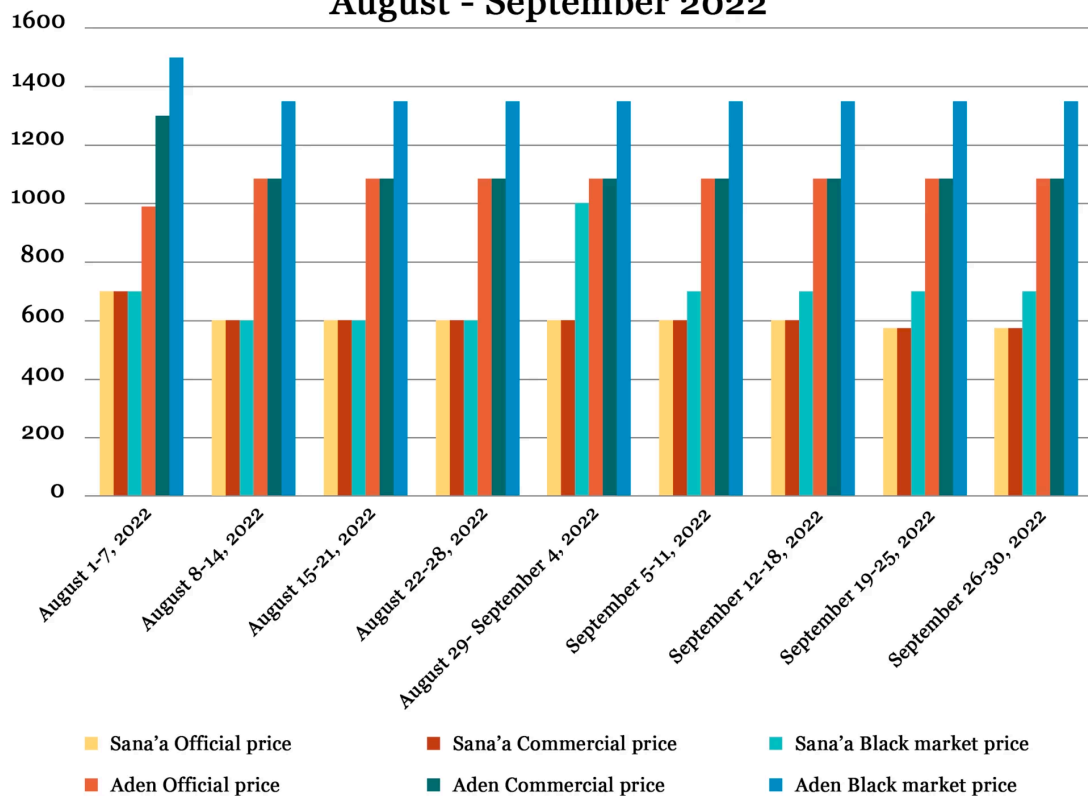
## Renewed Fuel Crisis Claimed in Houthi-Held Areas

A fuel crisis developed in Houthi-held areas in September. On September 4, the Yemen Petroleum Company in Sana'a announced the adoption of an emergency plan for distributing oil derivatives after severe shortages resulted in most state and commercial fuel stations closing their doors. Due to the reduced supply, the black market initially exploded: the price of one liter of petrol increased by 67 percent, from YR600 to YR1000 per liter, while the price of diesel increased by

16 percent, from YR690 to YR800. Under the emergency plan, 17 fuel stations would operate to meet local demands, six of which would be located in Sana'a and its suburbs. The plan would limit the fuel a driver could purchase to 40 liters, with an automated system installed to ensure compliance.

On September 2, the YPC accused the coalition of causing shortages by preventing tankers from offloading at the port of Hudaydah. In response, the government accused Houthi authorities of having prevented fuel merchants in areas under their control from submitting proper documentation to the UN-facilitated Hudaydah import process since early August, causing the backup. From September 10-11, the government permitted eight fuel ships to enter Hudaydah port, reportedly outside of the established procedures, after which Houthi authorities rescinded their emergency fuel distribution plan.

### Average Weekly Petrol Prices in Sana'a and Aden(YR per liter), August - September 2022



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## New Saudi Fuel Grant Announced

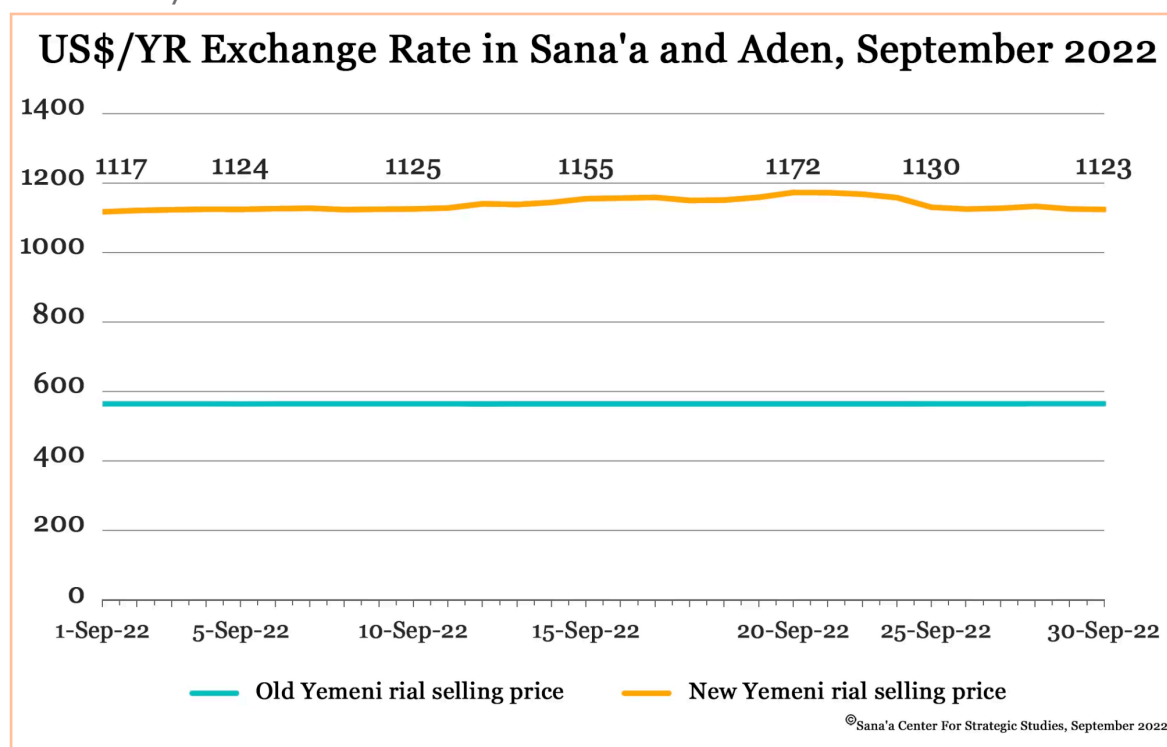
On September 29, Saudi Arabia and the Yemeni government reached an agreement to provide the latter with a new oil derivatives grant, worth US\$200 million, to support power plant operations in areas under the government's control. The agreement, between the Ministry of Electricity and Energy and the Saudi Development and Reconstruction Program for Yemen (SDRPY), is for a total of 250,000 metric tons of fuel derivatives. The announcement of the agreement stated the SDRPY has already implemented procedures for the first delivery of US\$30 million worth of fuel to operate more than 70 power plants.

The new grant is essentially a continuation of a previous year-long agreement, signed in April

2021, which allocated US\$422 million to the government to support the purchase of some 1.26 million metric tons of fuel derivatives at the price prevailing in the Saudi domestic market. This was intended to help operate more than 80 power stations in Yemen. However, the government was only able to utilize 61 percent of these funds by the time the grant period ended in April 2022.

The SDRPY subsequently suspended the fuel derivatives grant, claiming that poor governance, mismanagement, and corruption were preventing its effective utilization, and that governorate authorities benefiting from the grant were failing to meet their financial obligations to pay for the electricity they received.

## Currency



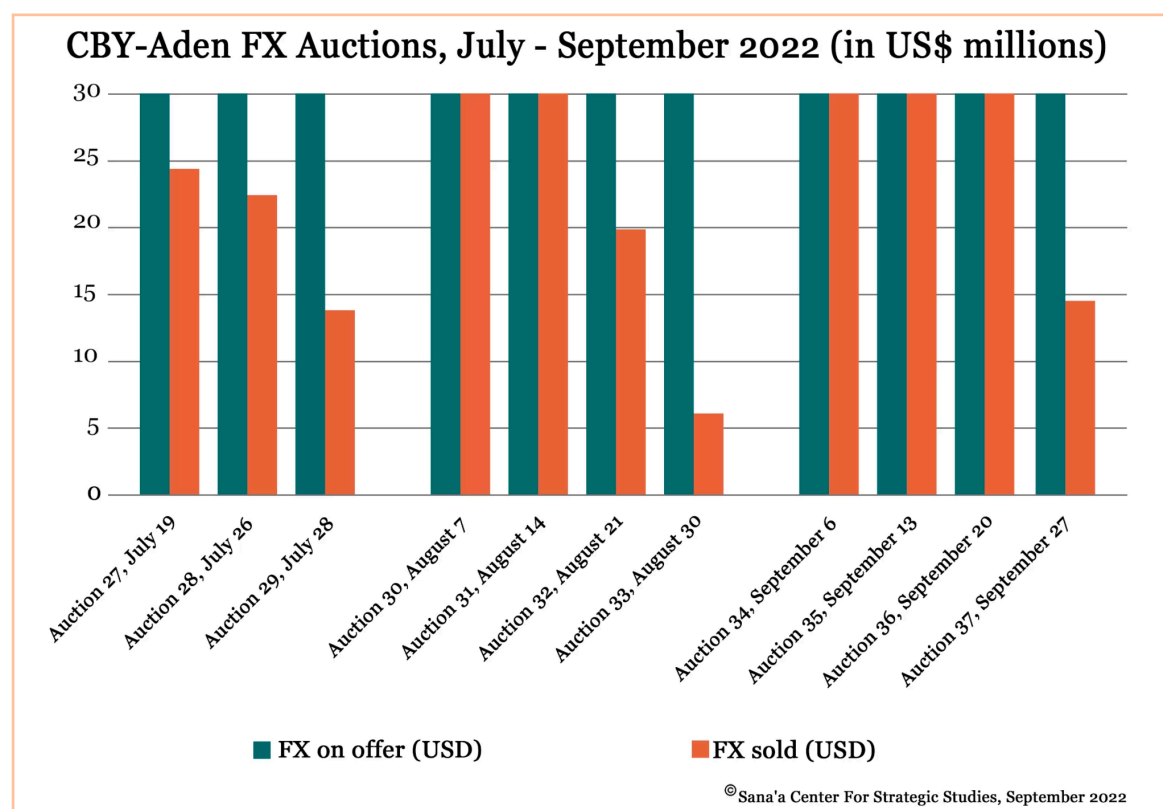
The exchange rate of new Yemeni rial banknotes remained relatively stable in government-held areas through most of September. Between September 1 and September 27, the new rial experienced slight fluctuations and depreciated by 2.3 percent, from YR1,114 at the end of August to YR1,140 on September 27. In Houthi-controlled areas, old rial banknotes remained stable, trading within a narrow band around YR560 per US\$1.

However, the threat of renewed exchange rate instability persisted, with Riyadh and Abu Dhabi continuing to withhold promised financial support to the CBY-Aden. Since early April, the UAE and Saudi Arabia have requested governance and institutional reforms as prerequisites for the delivery of US\$2 billion in financial support to replenish the CBY-Aden's foreign currency (FX) reserves. Abu Dhabi has reportedly agreed in principle to deposit its share of the support, US\$1 billion, into a CBY-Aden account in the UAE, while Riyadh is insisting that its share be deposited into the Arab Fund for Economic and Social Development, with the CBY-Aden required to meet as-yet undisclosed terms in order to access the funds. With the FX reserves it has remaining, the CBY-Aden continued FX auctions for commercial banks, the sales from which are earmarked to finance basic commodity imports.



On September 14, the government announced that it had agreed to pay US\$30 million in debt installments owed to the Arab Fund for Economic and Social Development. A cabinet committee, headed by the minister for Planning and International Cooperation, is seeking to negotiate with external creditors about the possibility of forgiving, reducing, or rescheduling Yemen's foreign debt, given the country's poor financial situation. Between October 2-5, a government delegation composed of representatives from the CBY-Aden, the Ministry of Finance, and the Ministry of Planning and International Cooperation, and headed by CBY-Aden governor Ahmed Ahmed Ghaleb, met with IMF officials at the fund's mission in Amman. Meetings covered government fiscal and monetary policies, prevailing economic conditions and challenges, and reforms to improve macroeconomic stability. The International Monetary Fund (IMF) and the government reportedly reached an agreement to release financial support that was allocated to the government last year. In August 2021, the IMF announced the equivalent of US\$650 million in financial support for the government in the form of IMF-maintained units of account known as Special Drawing Rights (SDRs), but to date the CBY-Aden has been unable to access the funds. The agreement will allow for half of these funds to be released. If they do materialize, it would provide a substantial boost to the CBY-Aden's FX reserves and almost certainly strengthen the exchange rate for new rial banknotes.

The CBY-Aden held four foreign currency auctions in September for banks to bid. The first three auctions, the 34th, 35th, and 36th of 2022, each had US\$30 million on offer and were fully subscribed. The September 27 auction saw less than half the FX on offer sold. With dwindling FX reserves, the CBY-Aden has largely financed these auctions through receipts from the government's limited hydrocarbon exports, as well as irregular Saudi support for government military and security salaries. While Riyadh has committed roughly 300 million Saudi riyals a month (almost US\$80 million) for these salaries, the expected payments are occasionally canceled or delayed, putting increased pressure on the CBY-Aden's FX stocks.



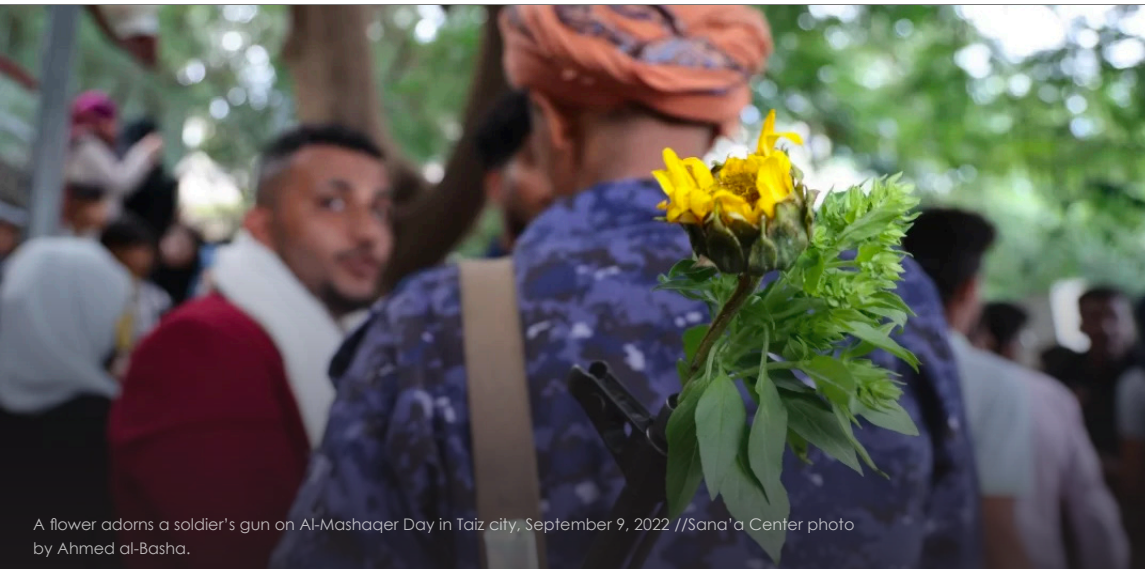
## Houthi Draft Law Seeks to Ban Usury

In response to directives from Houthi leader Abdulmalek al-Houthi to Islamicize Yemen's economy, on September 5 the Sana'a-based Council of Ministers approved a draft law banning "usurious transactions." The first article of the law prohibits all forms of interest payments, whether in civil or commercial transactions. This includes interest payments associated with treasury bills and government bonds, which are illegal debt instruments under certain Islamic regulations. The council referred the draft law to the Houthi-aligned Higher Economic Committee for study, with final approval required from the House of Representatives. According to media sources, following its initial announcement, the Council of Ministers withdrew its original draft and re-submitted another on September 17, with an explanatory memorandum stipulating that the law must pass, given that the prohibition of usury is a divine edict.

In the runup to the announcement, the Yemen Banks Association (YBA) sent a private letter to the governor of the CBY-Sana'a on August 17, questioning the Islamic jurisprudence upon which the law was based and warning against massive financial fallout should it be enacted. The YBA also noted that the implementation of similar laws in Libya, Iran, Pakistan, and Sudan had been postponed once authorities realized that banning banks from charging interest brought significant challenges. The YBA said that canceling all previous interest dues – including those which the government owes to banks on public debt instruments and which banks owe to customers on their deposits – would cause financial losses across the board, and set off an economic calamity equivalent to the suspension of civil servant salaries.

## Telecommunications

On September 24, the Sana'a-based Public Telecommunications Corporation (PTC), also Known as Yemeni Telecom, officially announced the launch of the "Yemen 4G" wireless internet service. The new system supposedly uses fourth-generation mobile telecommunications networks to allow data transmission of up to 100 megabytes per second. According to the announcement, the service will initially cover 11 governorates under Houthi control. It is expected to generate substantial revenue for Houthi authorities, given that it would reportedly cover many areas where there is currently little or no internet service.



A flower adorns a soldier's gun on Al-Mashaqer Day in Taiz city, September 9, 2022 //Sana'a Center photo by Ahmed al-Basha.

## The Environment

# First Phase of FSO Safer Operation Fully Funded

Yemen received some rare good news in September when the UN announced it had finally reached the threshold (retroactively reduced from \$80 to \$75 million) to begin the first phase of the operation to salvage the FSO Safer. Despite the expiration of the truce, preparations surrounding the FSO Safer operation appeared to continue in early October.

Although weather conditions improved compared to August, flooding and torrential rains continued to affect areas across the country in September, with several civilians killed in flooding or lightning storms.

## FSO Safer

On September 19, the UN announced that it had finally reached its pledging goal for the first, US\$75 million phase of the emergency operation to salvage the deteriorating floating storage and offloading unit FSO Safer, after Liesje Schreinemacher, the Dutch minister for foreign trade and development cooperation, announced a new \$7.5 million donation from the Netherlands during a trip to Yemen on September 17. However, the UN noted that some donors have yet to transfer pledged funds for the first phase to begin. UN Humanitarian Coordinator for Yemen David Gressly met with Houthi leadership concerning the operation on 4 October; as of that time, the operation is expected to be operated out of Djibouti.

## Flooding in Yemen

On September 7, a young man was killed and three others injured in a lightning storm in Jabal Jalis, in the northern Al-Qubaytah district of Lahj. On September 14, torrential rains flooded Al-Dhalea's Al-Azariq district, sweeping away cars, and a family was killed when their car was carried away in a flash flood in Shabwa's eastern Haban district. The same day, a mother and her

three children were killed in a fire after lightning struck electricity cables near their home in the village of Al-Thamri, in Lahj's eastern Radfan district. On September 18, torrential rains swept away a family driving a car in the city of Al-Habileen, in the Radfan district of Lahj governorate.

A woman and three children were killed. On September 27, torrential flooding occurred through Wadi Ahawr in the east of the Ahwar district in east Abyan governorate. The flooding forced the closure of the International Coast Road to Aden and Hadramawt. Local security services appealed to travelers not to attempt the road and to follow the mountain route through the Arqoub area until the water subsides and repairs can be made.



Fadi Baoum, head of the Political Bureau of the Supreme Council of the Revolutionary Movement for the Liberation and Independence of the South, addresses a meeting of speech at the expanded meeting of party leaders in Aden on September 1, 2022 // Sana'a Center photo by Akram Habtoor.

## Commentary

# STC Talks with Baoum Could Shift Alliances in Southern Yemen

Hussam Radman

Hassan Baoum's calls for independence, first for Yemen and later for southern Yemen, date to the early 1960s, at times landing him in jail or exile. His 2017 demand that Arab coalition countries fighting the armed Houthi movement end their "foreign occupation" of the south was perceived as so extreme by the coalition-backed Yemeni government that it prolonged his exile and ensured his southern separatist group remained frozen out of the country's power structures. Despite this, Baoum's political and popular presence has not faded, and the replacement of President Abdo Rabbu Mansour Hadi with a presidential council in April hastened a thaw that is altering southern political dynamics.

Baoum, who has lived in Muscat since 2015, is expected to return soon to Aden, where an alliance is being forged between the two most popular southern groups demanding secession: the politically powerful Southern Transitional Council (STC) and Baoum's popular branch of the Southern Movement (Hirak), the Supreme Council of the Revolutionary Movement the Liberation and Independence of the South.

Hadi's exit from the political scene elevated the status of the STC, creating an opening to explore such alliances. The STC is influential in government and its leader, Aiderous al-Zubaidi, serves on the Presidential Leadership Council. Al-Zubaidi already has succeeded in attracting military and security units loyal to former President Hadi in Abyan governorate. A Yemeni army brigade there **announced** it had joined the "Southern Armed Forces" led by Al-Zubaidi.



Other government security and military forces have recently **engaged in joint operations** with STC forces, such as the current campaign to force Al-Qaeda out of the Wadi Omayran region of Abyan. Such growing power has forced unarmed groups aspiring to play any political role in the south to consider some sort of rapprochement with the STC. At the same time, it has fueled their concern about losing their own unique political and organizational identities in the process – of melting into the STC structure.

In recent years, Baoum's son and head of the Supreme Council's political bureau, Fadi Baoum, has become the Hiraq faction's de facto leader. He also has served as the link between his father and the southern masses, moving adeptly through the Supreme Council's heartland of Hadramawt and Al-Mahra governorates on back roads he has secretly traveled since security forces began pursuing him during President Ali Abdullah Saleh's rule. Hassan Baoum's return to Aden is not expected to mean a more active day-to-day role for the elder Baoum, who is 80 years old and fondly referred to as the Nelson Mandela of the south by Hiraq activists. Rather, party insiders speak of planning a celebration of his return that also will essentially be a retirement ceremony.

Fadi Baoum is engaged in the extensive alliance talks in Aden with Al-Zubaidi and senior STC official Ahmed bin Breik. The final form of any STC-Supreme Council alliance will be considered carefully by leaders of other southern groups as they decide whether to make similar pilgrimages to Al-Tawahi district, the STC's military and political base in Aden.

In order to take full advantage of this opportunity, the STC has established a team, led by Saleh Mohsen, to begin reaching out to southern groups inside Yemen. The STC's main dialogue team, which has functioned outside Yemen since mid-2021 and **held initial discussions** with Fadi Baoum, is led by Ahmed bin Farid; it promotes dialogue with southern actors abroad. Besides Baoum's group, the two teams are engaging with other southern political actors in Cairo and Aden, including Fouad Rashid, head of the Supreme Council of the Revolutionary Movement (another Hiraq faction), Yassin Makkawi, who led the Hiraq representatives that participated in the 2013-14 National Dialogue Conference, and Ahmed al-Essi, a Yemeni business tycoon and chairman of the Southern National Coalition. They are seeking a "national pact" that affirms the demand for southern independence and lays out the initial features of this independent state.

Today, it appears up to the STC to ensure that calls for dialogue develop into a serious and sustainable track that leads to power-sharing. Any dialogue also should build consensus on a general negotiating framework for the 'Cause of the people of the South', stipulated in the outcomes of the 2022 Riyadh consultations before delving into discussion on recreation of an independent southern state.

As for the steadily growing power of the STC, the negative repercussions of this double-edged sword can be mitigated by meaningfully involving other southern groups in decision-making. Doing so would ensure that it would take a strategic rather than tactical stance towards dialogue and partnership. The STC and other active forces can also benefit from experience and impartiality of international mediators involved in Track II peace efforts, who have already worked in depth on the Southern file, and can be entrusted with some tasks like facilitating dialogue.

The STC is trying to pursue a "zero-problems" policy with the southern groups. For the STC, rapprochement with other southern powers would strengthen its claim of representing the south. Unifying southern voices would enhance the STC's political position before a negotiating team is formed to represent the internationally backed Yemeni government in any future peace talks and would allow the STC leadership to devote full attention to its political battles in the

eastern governorates of Hadramawt and Al-Mahra against the Islah party. Other southern groups largely welcome working out their differences and the prospect of gaining a voice in political and peace settlement decisions, but they may not rush to rapprochement with the STC– as Hassan and Fadi Baoum have – if the outcome of their power arrangement remains “zero gains.”

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Boys gather in the courtyard September 12, 2022, as girls gather in an upstairs classroom (back left) of the war-damaged Ibrahim Aqeel School on the western outskirts of Taiz city// Sana'a Center photo by Ahmed al-Basha.

## Photo Essay

# Lessons in Survival

Photographer Ahmed al-Basha visited the Ibrahim Aqeel School on the western outskirts of Taiz city, which became a battleground when Houthi forces tried to seize control of nearby Taiz University in 2016. Artillery fire, landmines and other explosive devices destroyed some of the school's buildings and severely damaged others. Still, finding no other nearby options, the school's 800 students, boys and girls, largely returned after fighting shifted despite the prospects of hidden mines exploding or damaged buildings collapsing.

Across Yemen, the physical and economic impacts of the war provide barriers to parents' ability to educate their children, with recently published results of a 2021 nationwide [household survey](#) indicating 40 percent of school-age children were not attending school. Parents cited high fees and transportation costs among the reasons.

At the Ibrahim Aqeel School, school director Abdulghani al-Haidari said overcrowding and structural concerns prompted him to organize two shifts, morning and afternoon, and to hold many classes outside. Al-Haidari said it is difficult to control students' entries and exits to school grounds, and, during breaks, to keep them away from the rubble around them that still could collapse. Demining teams affiliated with Yemeni government forces check the area periodically, removing unexploded ordnance.

School officials and parents have appealed to the Yemeni government and international organizations to restore the campus, al-Haidari said, but without success. Aid organizations are [struggling to meet](#) education sector needs in areas including teacher incentives and training, providing materials and overcoming transportation barriers.

Boys gather in the courtyard September 12, 2022, as girls gather in an upstairs classroom (back left) of the war-damaged Ibrahim Aqeel School on the western outskirts of Taiz city// Sana'a Center photo by Ahmed al-Basha





A student reads beneath a war-damaged building at the Ibrahim Aqeel School on the western outskirts of Taiz city September 12, 2022// Sana'a Center photo by Ahmed al-Basha.



Children arrive for classes at the war-damaged Ibrahim Aqeel School on the western outskirts of Taiz city September 12, 2022// Sana'a Center photo by Ahmed al-Basha.





Children arrive for classes at the war-damaged Ibrahim Aqeel School on the western outskirts of Taiz city  
September 12, 2022// Sana'a Center photo by Ahmed al-Basha.



Students start their day at the war-damaged Ibrahim Aqeel School on the western outskirts of Taiz city  
September 12, 2022// Sana'a Center photo by Ahmed al-Basha.



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, Ned Whalley and the Sana'a Center Economic Unit.

