



THE YEMEN TREND

**August
2017**



RESEARCH . ANALYSIS . ADVISORY

The Yemen Trend is a monthly digest that highlights Yemen's key economic and humanitarian trends and political and military developments, providing context and analysis where necessary in order to facilitate informed discussion deeply rooted in the facts.

Executive Overview

August was a month characterized by stubborn persistence, both in the high rate of cholera transmission despite the promising decline in July, and in the heavy civilian death toll from airstrikes and shelling, despite mounting pressure by the UN and other international agencies. Around 150,000 new cholera cases were added in August, bringing the total since April 27 to nearly 600,000. Largely as a result of the cholera crisis, the revised Yemen Humanitarian Response Plan for 2017 requires an additional \$271 million, and by the end of August only 41 percent of the total \$2.3 billion had been funded. Meanwhile, the Central Bank of Yemen (CBY) based in Aden floated the riyal and instructed banks to discontinue using the official exchange rate of 250 YER/USD.

Tensions in Sana'a between the Houthis and Ali Abdullah Saleh boiled over into a gunfight in Sana'a on August 26, following a week of trading thinly-veiled accusations and shortly after a massive rally to mark the 35th anniversary of the GPC's founding. The clash left a notable GPC figure dead and prompted troop deployments in the capital, but a meeting between representatives of either side brought a degree of stability back to Sana'a. Meanwhile, the UN envoy briefed the Security Council on August 18 following visits to Tehran and several Arab states. Yemen's Foreign Minister Abdulmalik Al-Mekhlafi told the Council that the Yemeni government would agree to opening Sana'a airport to international flights if it was placed under UN supervision in partnership with the original airport staff prior to the coup in September 2014, supporting a similar statement made by the coalition spokesman.

Timeline

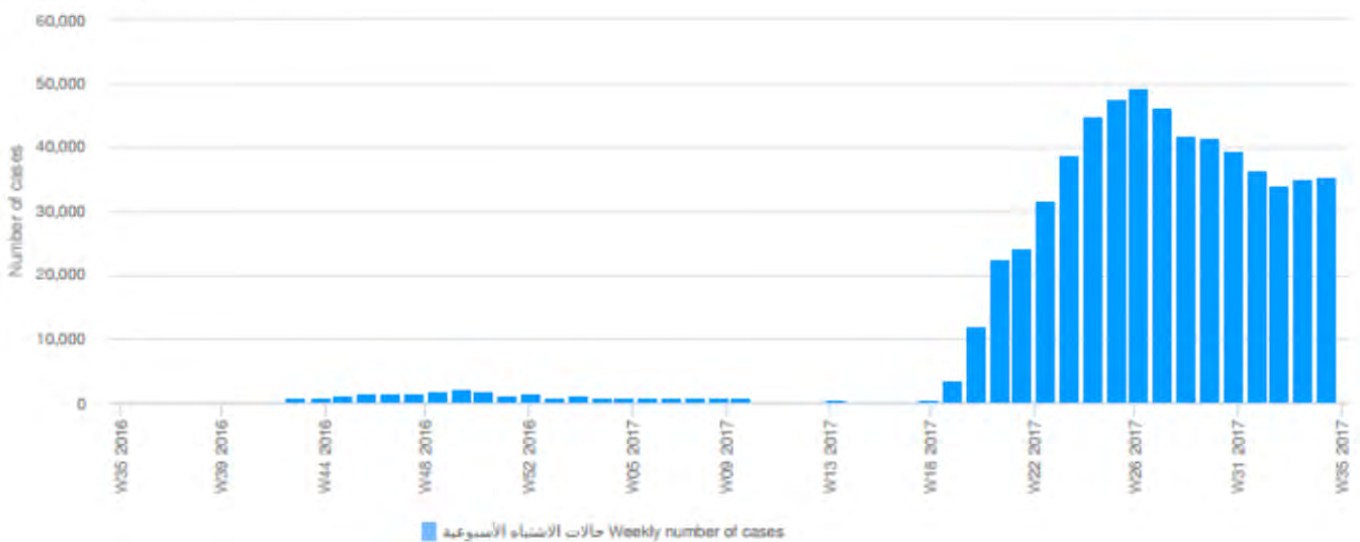
- Aug 9-10** At least 70 African migrants drown as hundreds are forced overboard off Yemeni coast
- Aug 13** The number of suspected cholera cases since April 27 passes the half-a-million mark
- Aug 15** Banks stop using the official exchange rate of 250 YER/USD, as per Central Bank instruction
- Aug 18** UN envoy and OCHA head Stephen O'Brien brief the Security Council
- Aug 24** GPC rally in Sana'a marking the party's 35th anniversary draws massive crowds
- Aug 26** Gunfight between Houthi and GPC members in Sana'a leaves several dead
- Aug 31** Around 150,000 new suspected cholera cases reported in August, bringing total near 600,000

Humanitarian and Economic Trends

The declining number of new cholera cases plateaued in August, as around 150,000 new suspected cases were reported throughout the month. By August 13, the number of suspected cholera cases since April 27 passed the [half-a-million](#) mark, and from [443,166](#) cases on August 1 to [591,100](#) cases on August 30 (the last reporting day of the month), a little under 5,000 people per day on average fell victim to the disease. The number of new daily cases peaked during week 26 (June 25 to July 1) and decreased continually in the following weeks, but in August one week saw a slight increase and the remaining weeks were considered “stable” at a -1 percent change, [according](#) to the WHO. “The spread of cholera has slowed significantly in some areas compared to peak levels,” another WHO [statement](#) reads, “but the disease is still spreading fast in more recently affected districts, which are recording large numbers of cases.” This plateau can be seen in the below epidemic curve produced by the WHO, which shows the number of new cases per week:

الشكل (1) المنحنى الوبائي على المستوى الوطني

Figure 1 | Weekly Epidemic curve



Estimates on the expected number of cholera cases have been underestimated. Most recently, in July Oxfam [wrote](#) “it is feared that the total number of people infected could eventually rise to over 600,000,” and the International Committee of the Red Cross [said](#) “ICRC experts expect the current number of suspected cholera cases to at least double by the end of 2017 to over 600,000.” However, this figure was passed four months before then, at the very beginning of September, and in August Oxfam [cautioned](#) the “numbers could rise quickly again with the onset of the second part of the rainy season in August and September.” Monsoon rains hit Yemen in late August, and flooding [killed](#) 18 people in Lahj, while Taiz Governor Ali Al-Maamari [said](#) flooding killed people in his governorate as well. A study on the cholera outbreak in Yemen by Japanese researchers predicts by the end of the crisis closer to three-quarters of a million people will have been infected ([full study](#); [article](#)).

Although the low case fatality rate (CFR) of [0.34%](#), by the end of August, is a relative success, it does not tell the full story. Save the Children [said](#) due to their weakened immune system malnourished children are at least three times more likely to die if they contract cholera, and diseases like cholera are at the same time a leading cause of malnutrition, “raising fears that even if children survive the outbreak they could be pushed further toward starvation.” As of August, the organization estimates more than 1 million children under 5 who are acutely malnourished, 200,000 of whom severely so, are living in areas with high cholera infection levels. UNICEF [estimate](#) over half of the cholera victims are children, and that there are a total 385,000 children with severe acute malnutrition.

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“We’ve been over the harrowing figures time and again in this chamber: 17 million Yemenis do not know if, or where, they will get their next meal. Nearly 7 million are facing the threat of famine, and nearly 16 million lack access to water or sanitation. **With numbers of this scale there is a pernicious risk that we become mired in a statistical fog** or that we begin to take an overly technical view of this crisis, almost as if it were a natural phenomenon. It is not. We must remember that these figures represent human faces and enormous suffering. Parents unable to feed their families. Children succumbing to malnutrition or disease, and countless other tragedies.”

Stephen O’Brien, Under-Secretary-General and Emergency Relief Co-ordinator (OCHA), in his final [briefing](#) to the UN Security Council on August 18, 2017.

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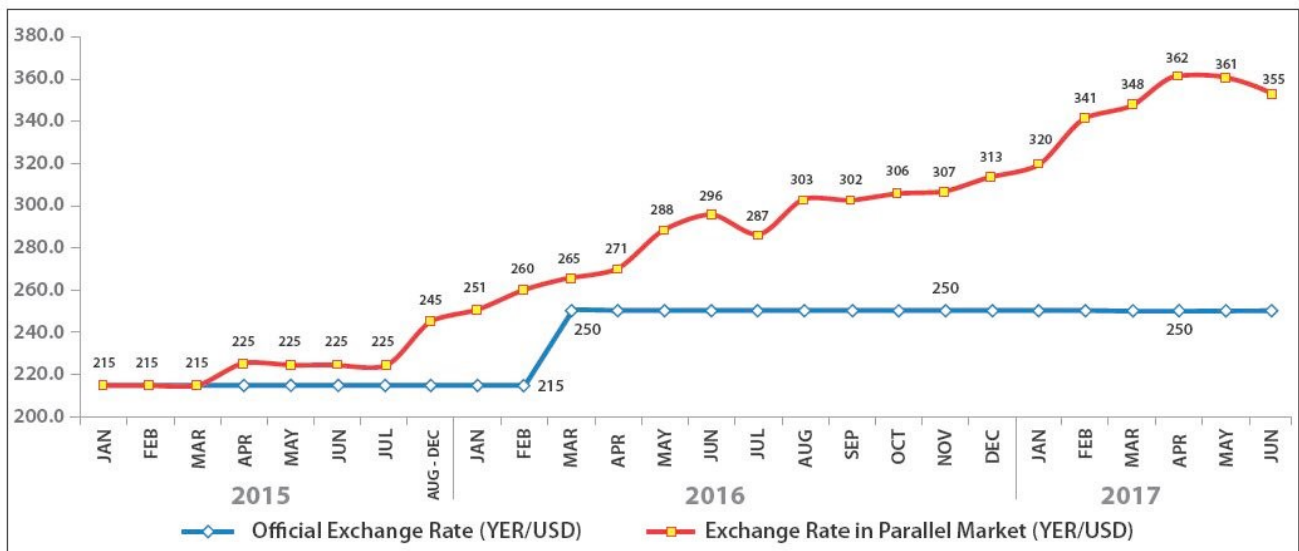
The World Bank will provide \$200 million to tackle the cholera outbreak, the financial institution [announced](#) in late August. The new emergency grant, to be implemented by the WHO and UNICEF, includes the training of 7,500 health workers, rehabilitation of wastewater treatment plants, strengthening of local capacity to treat and manage cholera cases, the provision of crucial supplies, and awareness campaigns. The statement also says the grant will support one of “the largest ever cholera vaccine campaigns aiming to reach millions of Yemenis.”

The humanitarian funding required for 2017 has increased from \$2.1 billion to \$2.3 billion, according to the [revised](#) Yemen Humanitarian Response Plan (YHRP) for 2017. Of the additional \$271 million required, nearly all of it – \$254 million – is for the

Integrated Cholera Response Plan, indicating the extent to which efforts to stem the spread of cholera are hampering the ability of humanitarian workers and local health services to cope with other critical issues. Factoring in the revised amount, by the end of August only [41 percent](#) of the YHRP plan had been funded.

The Aden-based Central Bank of Yemen (CBY) announced lifting the freeze on the official exchange currency rate and [instructed](#) Yemeni banks to discontinue using the official exchange rate of 250 YER/USD starting August 15. Although the Sana’a-based Central Bank did not officially announce its rejection of the CBY leadership’s decision in Aden, it continued to issue its exchange rate at 250 YER/USD. The market rate has not seen a significant increase since the decision was announced. As of late August, the official exchange rate at the CBY in Aden is around 370-372 YER/USD while the rate is fluctuating in the parallel market between 370-377 YER/USD. In a [statement](#) explaining its decision, the Aden CBY said due to severe reserve shortages it could no longer defend the previous rate, which served little practical purpose, and that the move would help with donor grant disbursements. Shortly before taking the decision, the CBY [claimed](#) that on 13 separate occasions the coalition had failed to approve landing permits for cash shipments to Aden airport, saying “this creates dangerous strangulation for the Yemeni economy in providing liquidity for the crisis.”

The graphic below, produced by the CBY, shows the official exchange rate from January 2016 to June 2017 along with the exchange rate in the parallel market.



Source: CBY, January 2016- Jun. 2017, 2017.

Yemen Socio Economic Report Update

Transfers to former Social Welfare Fund (SWF) beneficiaries resumed gradually in August with funds being disbursed to beneficiaries in the Capital Secretariat, Aden, Lahj, Sana'a, Al-Mahweet and Al-Mahrah. The beneficiaries in the rest of the governorates are to receive their payment after Eid holidays. The project is expected to cover more than 300 districts in all 22 governorates, [according](#) to Few's Net. The primarily cash-based transfers are being managed by UNICEF and delivered by Al-Amal Bank with \$200 million in World Bank funding, and are planned to target 1.5 million families, benefitting around 8 million people via two quarterly payments scheduled in August/September and October/November 2017. "The expectation is that there will be a rapid scale-up in cash transfer activities from mid-2017, as part of a wider push to expand cash activities from covering basic food and NFI [non-food items] needs, to cover livelihoods, shelter and market-based activities," UN OCHA [said](#). According to OCHA, the payments are to be between YER9,000-18,000 (\$25-51 at informal exchange rates) per quarter to the beneficiaries.

Saudi Arabia is installing cranes at the ports of Aden, Mocha, and Mukalla, its mission to the UN [said](#) in mid-August. The coalition is ready "to facilitate the immediate installation of cranes at the port of Hodeidah, in line with the secretary general's special envoy Ismail Ould Cheikh Ahmed's latest proposals," it said, referring to the measure in the envoy's proposal that calls for the port to be operated by a mutually accepted Yemeni committee. The UN and other international organizations have repeatedly called for Saudi Arabia to allow the mobile cranes purchased by the WFP to be installed at Hodeidah port, and some cargo has been diverted to Aden port. In his August 18 [briefing](#) to the Security Council, O'Brien reaffirmed his call for the cranes to be established at Hodeidah, saying "Do not be swayed or deterred by those saying Aden or other ports is good enough."

Relatedly, O'Brien said the work of the UN Verification and Inspection Mechanism (UNVIM), established in May 2016 to facilitate the flow of commercial goods into Yemen's Red Sea ports, is itself facing obstructions. In an August 21 [statement](#), he said the Yemeni government and coalition "at times bypass UNVIM by unilaterally denying or excessively delaying entry to vessels carrying essential cargo," adding that this has had "a chilling effect on the willingness of some commercial vessels to serve Hodeidah port."

At least 70 migrants are believed to have died after being forced overboard near the coast of Shabwa in two separate incidents on August 9 and 10, [according](#) to the UNHCR. In total, smugglers forced [280](#) people – Ethiopian and Somalis, mostly in their teens – overboard, apparently to avoid interaction with security forces on the coast.

The National Blood Transfusion Center may be forced to close due to lacking funds and supplies. The Sana'a-based blood bank treats around 3,000 patients monthly, and its director, Dr. Adnan Al-Hakimi, [said](#) it has nearly run out of supplies. Doctors Without Borders (MSF) handed over its support for the center to the WHO, but it remained unclear whether the aid agency would be able to procure sufficient resources to keep it open, and Al-Hakimi appealed to private citizens and civil society groups to provide donations.

Both warring parties have obstructed the work of humanitarian organizations, UN Humanitarian Coordinator in Yemen Jamie McGoldrick said in an August 17 [statement](#). Saying he is "deeply concerned by the shrinking humanitarian space in Yemen where parties to the conflict continue to obstruct the timely provision of humanitarian aid to people in need," McGoldrick explained authorities in Sana'a have hampered the entry of aid workers into the country, interfered in their aid deliveries, and obstructed their field assessments. "There have also been increased incidents of aid diversion away from intended beneficiaries in areas under the control of the Sana'a authorities," he said, also criticizing Hadi-aligned government authorities in Taiz city, where 11 vehicles belonging to humanitarian organizations have been hijacked since January. At the beginning of August, UNDP country director Auke Lootsma [said](#) the coalition was obstructing deliveries of fuel required for UN planes carrying humanitarian aid. "We have difficulties obtaining permission from the coalition and from the government of Yemen to transport this jet fuel to Sana'a," he said.

Political Developments

Heightened tensions within the Houthi/Saleh camp boiled over into a skirmish in the capital that left several dead, including Khalid Ahmed Zayd Al-Radhi, who was the vice president of the external relations department of the General People's Congress (GPC) and a member of the party's general secretariat. Three Houthis also [reportedly](#) died in the clash, which took place at a Houthi-run checkpoint on August 26. The clash came shortly after a massive rally on August 24 to mark the 35th anniversary of the GPC's foundation. The rally was held amid a war of words between GPC leader Ali Abdullah Saleh and Houthi leader Abdulmalik Al-Houthi, who have maintained a wartime alliance against President Hadi and his allies. Al-Houthi, apparently suspicious of Saleh working a political deal behind the scenes, [said](#) in a thinly-veiled jab at the former president that the Houthis have been "stabbed in the back while fighting the enemy in good faith." In turn, Saleh criticized the group's domination of decision-making in Sana'a, and referred to the Houthis as a "militia," a heavily-loaded word in the Yemeni context that also plays on the group's inexperience in politics.

Both forces deployed fighters in the streets, but on August 28 they began demobilizing as political leaders from either side convened to de-escalate the situation. Houthi and GPC delegations [reportedly](#) held a meeting that culminated in a joint statement on August 28 to "remove all causes of the tensions that occurred in the capital Sana'a and to return the security situation to what it was before the activities last week." Anwar Gargash, foreign affairs minister of the UAE, [tweeted](#) "It is clear the Houthis are the obstacle in front of the political solution" [and](#) "Houthi subjugation of the [People's] Congress will prolong conflict with its dire humanitarian consequences," notable statements given the rumors of backroom dealing between Saleh and the UAE. Finally, on August 30 Saleh [attended](#) the funeral of Al-Radhi, dispelling rumors the Houthis had placed him under house arrest.

The UN Envoy briefed the Security Council on August 18, and called on the warring parties to move forward with his proposals. "The international community is unified in support of a peaceful settlement but the parties to the conflict continue to miss this opportunity," he said in his briefing ([text/video](#)), which followed visits to Riyadh, Oman, Jordan, and Iran. Earlier in August he met with President Hadi and he invited the Houthis to meet him in a third country to discuss his proposals, but he reported no progress.

Background on the peace process

Throughout late 2016 and early 2017 Ould Cheikh sought to implement a nationwide ceasefire as a means to jumpstart peace talks based on the proposals he made on October 23, 2016. His roadmap and the call for a ceasefire was backed by the Quad + Oman, now called the Quint, in a December 2016 [statement](#). However, the call for representatives of the warring parties to convene in Amman and for the De-escalation and Coordination Committee (DCC) to set up in Dhahran Al-Janoub, southern Saudi Arabia, never materialized despite follow up Quint meetings in February and March 2017. Whether due to the warring parties' refusal to make concessions, a shift in policy objectives from the Obama to Trump administrations, or a sign of the growing risk of an offensive to retake Hodeidah, the UN envoy shifted his attention to keeping Hodeidah port functional.

In late April Ould Cheikh [said](#) he planned to invite the Houthis to Oman for a meeting in May and expressed optimism that if a military operation on Hodeidah is avoided, "I think we are paving the way for new talks." But he was snubbed by the Houthi and GPC delegations during his visit to Sana'a in May, and in June Houthi political leader Saleh Al-Sammad deemed him "biased" and "unwelcome." Meanwhile, throughout June and July the Hadi government voiced its support for the proposal he made in May, which would see a mutually agreed upon military committee manage Hodeida port, and in parallel a financial committee would develop a mechanism to have state funds collected from all parts of Yemen disbursed to government employees on both sides. Ould Cheikh [told](#) the Security Council on July 12 that he was in direct contact with the Houthis and that he again intended to invite the Houthi and GPC delegations to discussions, but Houthi spokesman and delegate head Mohammed Abdulsalam shortly after [wrote](#) of what he called the envoy's "absolute subordination to the countries of aggression."

*For more background, see the [July 2017](#) issue of the *Yemen Trend*.*

Speaking at the end of the Council meeting, Abdulmalik Al-Mekhlafi, the foreign minister and peace delegate head for the internationally recognized government, said "we are willing to agree to opening the Sana'a airport in case the militias leave its management to official staff affiliated to the state before the coup, under the supervision of the United Nations." A week prior, the state-run Saudi Press Agency (SPA) published an [article](#) titled "Official Coalition Spokesman Asks

UN to Run Sana'a International Airport." Spokesman Turki Al-Maliki is said to have asked the UN "to contribute in resuming flights from and to Sana'a airport through managing airport security and putting the legitimate Yemeni government's fears [of Houthi arms smuggling] to rest." Once that happens, it says the Joint Forces Command is ready to restore normal flights.

Analysis

In the lead up to the Security Council meeting, Foreign Minister Al-Mekhlafi [reportedly](#) said the UN envoy had not presented any new developments to Hadi during their meeting earlier in the month. However, while the aspects of the current proposal that relate to the management of Hodeidah and the resumption of salary payments remain unchanged, the unblocking of Sana'a airport to commercial flights appears to have become a more central part of the equation. The Sana'a-based government has continually called on the coalition to remove its restrictions on air travel and the envoy has backed this call along with international humanitarian organizations. However, the envoy did not include this measure in his proposals in May, [telling](#) reporters at the end of that month that "in my proposal to Hodeidah, if I had the chance to discuss it with the Houthi and GPC, one element would have been to discuss also the opening of the airport." Shortly after, the UNSC's June 15 [Presidential Statement](#) called for "increased access to Sana'a Airport for lifesaving humanitarian supplies and movement of urgent humanitarian cases," but stopped short of calling for the return of regular civilian or commercial traffic.

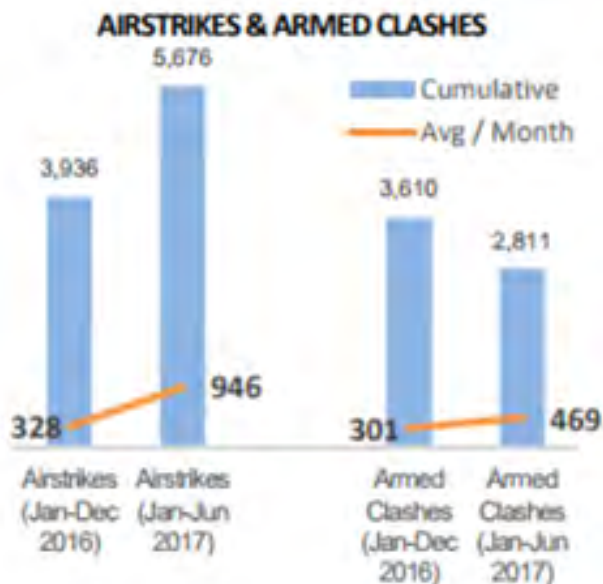
In his August briefing, Ould Cheikh called the airport issue "a vital and fundamental component of the proposals," saying it would facilitate the travel of those seeking medical help and students wishing to study abroad, in addition to easing trade. Including this measure in the proposals rather than treating it separately could serve as a positive stepping-stone to resolving the larger issue with Hodeidah port, but conversely it may dilute responsibility and further delay progress in the peace process. The Houthis have little incentive to hand over Hodeidah, one of their most strategically important locations, even in exchange for the resumption of flights to Sana'a, and are using the airport as a means to place the onus on the coalition. In turn, the Hadi government and coalition have transferred this burden to the UN, similar to how they originally asked the UN to

administer Hodeidah port. Parallel to this, Hadi and the coalition are taking steps to increase the capacity of the sea ports under their control, especially Mocha and Aden. This is an attempt to reduce the value of Hodeidah port as a bargaining chip for the Houthi/Saleh alliance in negotiations and, should negotiations fall flat, reduce the potential humanitarian fallout of a military operation to retake the port.

The European Union ambassador to Yemen visited Sana'a to discuss the UN envoy's proposal for Hodeidah. On August 8 Ambassador Antonia Calvo Puerta [met](#) with the president of the Supreme Political Council, Saleh Al-Sammad. The day prior, she met with the Sana'a-based National Salvation government's foreign minister, Hisham Sharaf, who Saba News [reported](#) as praising the EU's positive stances and stressing the importance of its role in exerting more pressure on the coalition to lift what it terms an "all-out sieged on the Yemeni people."

Military and Security Developments

The pace of coalition airstrikes has increased during the first half of 2017, according to the Yemen Protection Cluster. "The number of reported airstrikes has already exceeded the total for all of 2016, with the monthly average almost three times higher in 2017," it [reported](#). The Cluster further noted the "pace of reported armed clashes" has risen 56 percent this year compared to 2016, and the most affected governorates in terms of military activity are Taiz, Sa'ada, Hajjah, Sana'a, Al Jawf and Marib. The reporting body is part of the Global Protection Cluster, which the UNHCR leads in coordinating UN and international NGO activities, and it produced the accompanying graphic based on UN and open source reporting. Referencing this information in his Security Council [briefing](#) on August 18, Stephen O'Brien spoke with uncharacteristic frankness: "So all that has been said and the outrage expressed here round this Security Council table has only produced a dramatically worse situation, perpetrated by the stubborn, brutal parties and their proxies to this cynical, inhumane, manmade catastrophe."



Relatedly, A confidential UN draft report seen by several news agencies reportedly says in 2016 “attacks carried out by air were the cause of over half of all child casualties, with at least 349 children killed and 333 children injured” out of a total 502 and 839, respectively. [According](#) to Foreign Policy, Virginia Gamba, the UN secretary general’s special representative for children abused in war time, informed top officials in mid-August she would recommend the Saudi-led coalition be added to the “name and shame” list of groups that kill and maim children, but ultimately the decision is left to Guterres himself.

August was a particularly deadly month for civilians, as more people were killed in a single week than in the previous month. On August 23, an airstrike on a hotel in Arhab district of Sana’a governorate killed at least 33 civilians and injured 25 others, [according](#) to a the UN Human Rights office. That same day, an airstrike on a house in Sanhan district of Sana’a governorate left six civilians dead and 13 injured. Three more were killed the day prior in an airstrike on a house in Sa’ada governorate, bringing the total to 42 civilians killed by the coalition and 58 by both sides in the week 17-24 August, more than recorded in all of July. On August 4, an airstrike in Mahdha area of Sa’ada governorate left 8 civilians dead, the UN envoy [said](#), and on August 25 an airstrike in a residential area in the capital killed 14 civilians and injured 16 others, the Red Cross [said](#) after visiting the scene. In a rare [statement](#) following the latter strike, the coalition said it was targeting a legitimate target but a “technical error” caused it to hit the house and cause “collateral damage” to civilians.

Shelling by Houthi/Saleh forces killed four civilians in Taiz city on August 27. The [attack](#), which left seven others injured, was on a residential area in Beir Basha district of the city. Houthi/Saleh forces have “repeatedly fired mortar projectiles and artillery rockets from an elevated area in Al-Hawban district indiscriminately into populated areas in Taiz,” Human Rights Watch said in a report released in August. The report, [Yemen: Artillery Attacks Kill Civilians in Taiz](#), focuses on a particularly heavy period of shelling over a period of ten days in May in which Houthi/Saleh forces killed at least 30 civilians and wounded more than 160, and alleges the attacks were “in violation of the laws of war.”

Recommended reading and viewing:

- The Diplomat analyzes [China’s Role in the Yemen Crisis](#), arguing that “Beijing’s decision to strengthen its ties with Hadi’s Saudi-backed government is closely linked to the Chinese navy’s base construction in Djibouti, Chinese commercial interests, and China’s great power ambitions in the Middle East.”
- A report by Oxfam titled [Yemen: Catastrophic Cholera Crisis](#) takes a more nuanced look at the epidemic. Women are especially vulnerable when it comes to seeking treatment and coping with the disease, and Oxfam observed that fear or social stigma in reporting the disease amongst various social groups is hampering efforts to fight cholera.
- Quoting anonymous Iranian officials, Reuters reported [Iran Revolutionary Guards find new route to arm Yemen rebels](#). The claim – that Iranian shipments are being transferred to smaller vessels in Kuwaiti waters to avoid detection – was [denied](#) by the Kuwaiti government.
- “Current-day Aden is witness to a sad phenomenon – educated mothers and illiterate daughters,” writes Ibtihal Al-Salehi in this article for Al-Madaniya magazine. [Women in Aden: A Beautiful Past, A Forsaken Present, and a Promising Future](#) discusses the relative freedoms the previous generation of women enjoyed in Aden, and the institutionalized discrimination they have endured since the 1994 war.

Compiled by: Brett Scott - DeepRoot Consulting
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