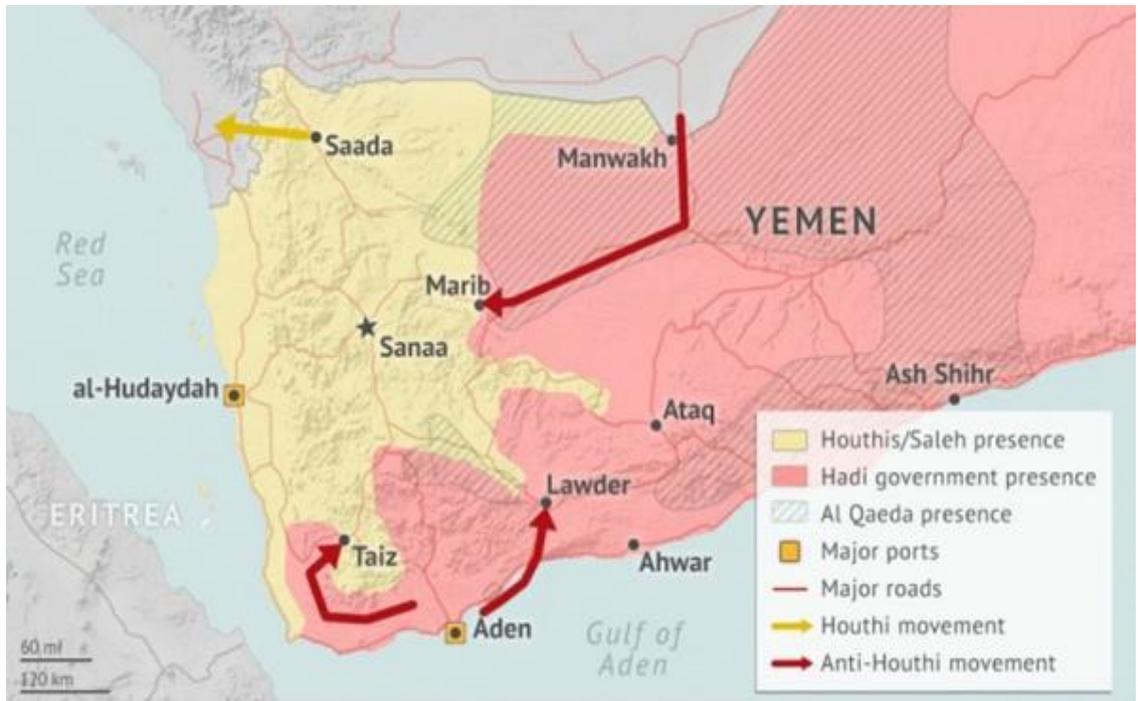


HUMANITARIAN
AND DEVELOPMENT
PROGRAMME

24-Month Yemen Scenario Analysis: NO EASY SOLUTIONS

October 2015

HUMANITARIAN FORESIGHT THINK TANK



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KEY POINTS

1. Houthi and Hadi parties plan to enter into negotiations based on the UN Security Council resolution 2216 at the end of October.
2. Instability has exacerbated health and WASH sector needs; meanwhile, certain governorates are suffering from severe food and water insecurity. Conflict has also led to massive displacement.
3. Continuing hostilities and a military and political stalemate will have significant humanitarian implications, especially in terms of access to ports, airports and roads, and safety of staff.
4. The increasingly fragmented opposition, intervention of regional interests and access to resources like water are factors that could alter the parameters and trajectory of the conflict.

¹ Yemen Situation Map. Stratfor 25/8/2015

INTRODUCTION

Yemen only recently became a single state, in May 1990 when the Marxist South Yemen and the North, under the rule of Ali Abdallah Saleh, came together during a short-lived rapprochement.² Unification triggered a fierce and bloody contest for power that has continued until today—acted on numerous stages: tribal, religious, economic and regional. The current war is the result of long-held grievances disregarded by undemocratic governments and utilized by regional powers competing for influence.

After a rapid advance on Yemen's major cities of Sana'a, Taiz and Aden beginning in January 2015, the Houthi-Saleh alliance has come under heavy aerial bombardment conducted by the Saudi-led coalition in support of President Abd Rabbo Mansour Hadi. Bombardments of residential areas by coalition forces and intense ground engagements have greatly exacerbated structural weaknesses in Yemen. The coalition's naval blockade has not only obstructed humanitarian aid from reaching the country, but also stymied commercial trade. On the ground, the coalition is supported by well-armed, Gulf-trained Yemeni troops, as well as Emirati and Qatari forces. Following attacks on the Hudayda port on the western coast and fierce fighting in Marib governorate to the north-east of Sana'a, coalition forces have been bombing Sana'a and could carry out a three-pronged offensive from Hudayda, Marib, and south from Taiz. The forces aim to dislodge the Houthi fighters, which are already in retreat, and re-take the city. Aerial bombardments have already begun in the capital. In the liberated province of Aden, the vacuum left behind by the withdrawal of the Houthis has disaggregated the coalition of the secessionist Hiraq Movement, the Sunni Muslim Brotherhood Islah party, al-Qaeda, Hadi loyalists, and various tribes who are now fighting for control over Aden and its main port. In October it was announced that Sudanese troops would be deployed in the city to keep the peace. Meanwhile, the Houthis have lost control of the strategic Bab al-Mandeb passage and forfeited positions in Marib to concentrate troops around Sana'a. They have also agreed to the seven-point UN peace plan as a basis for negotiations with the Hadi government which will begin at the end of October³.

Al Qaeda is making inroads in the south and eastern parts of the country, and has taken at least partial control of the port of Mukalla, the Aden port of Crater⁴, Tawahi and government buildings in Aden⁵. The US has conducted some drone attacks since the war began, but the coalition is avoiding strongholds. The Islamic State (IS) has also been conducting attacks, targeting Shia worshippers in a series of mosque attacks that killed more than 100 people and injured hundreds and recently targeting government infrastructure.

With the intervention of Saudi Arabia, a formidable third party in the region, a conflict that began as mostly local grievances is now dependent on the interests of an external actor. Saudi Arabia seems determined to destroy the Shia Zaidi Houthis. The group's power and authority is a threat to the Saudi state's own marginalized Shia communities who live along the Saudi-Yemeni border. The adjoining oil-rich Eastern province, Jizan and Najran have witnessed numerous violently-suppressed protests in recent years⁶.

The Houthis are on retreat and are willing to negotiate, but it is unlikely that the revivalist religious group will secede from their base of power in Sa'ada and possibly even Sana'a, though the potential

² "The Unification of Yemen: Process, Politics, and Prospects," *Middle East Journal*. 1988. A senior official stated that even if there was a détente between north and south, real unification was fifty years away.

³ The peace plan is based on the condition that the Houthis withdraw from all Yemeni cities, return seized military munitions and support the government of President Hadi. "[Yemen conflict: Houthi rebels commit to UN peace plan](#)," *BBC News*, 6 October 2015.

⁴ "[The U.S.-Backed War in Yemen Is Strengthening al Qaeda](#)," *Daily Beast*, 28 August 2015.

⁵ "Al Qaeda deploy in Yemen's Aden, British hostage freed," *Reuters*, 23 August 2015.

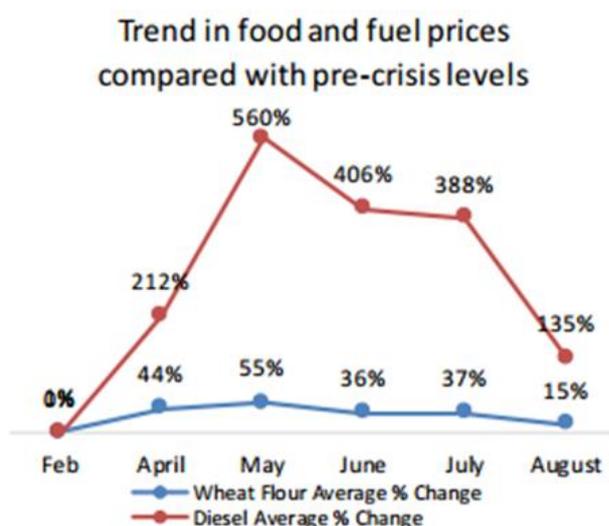
⁶ "[The Shia in Saudi Arabia: The sword unsheathed](#)," *The Economist*, 18 October, 2014.

for their isolation in the capital is high. As they retreat, increased levels of violence and guerrilla-warfare-style attacks are to be expected.

The prospect of a unified Yemen becomes increasingly unlikely as local and regional stakeholders further fragment into factions with vastly different goals. In recent weeks the Houthis have conducted cross-border retaliatory attacks into Saudi Arabia, targeting border checkpoints in the neighboring Shia provinces⁷. Such attacks will likely continue as they are forced back. In the south, liberating coalition groups are fighting for control of Aden. A diplomatic solution offering a cease-fire in exchange for power-sharing and the de-unification of Yemen could possibly ensure a peace from which something more permanent could develop over time. The war will continue, and it is likely that conditions on the ground will continue to deteriorate.

HUMANITARIAN SITUATION

Pre-war conditions within Yemen were highly stressed, with large parts of the country living below the poverty line. In the current conflict, the population is hard-hit by shortages of food, water and basic services. Humanitarian access is severely limited due to the Saudi-led coalition's de facto blockade of ports. This situation, amid worsening instability, is not expected to improve in the near future.



Yemen Weekly Market Update, WFP, August 15 2015

Prior to the war Yemen was highly dependent on the importation of basic goods, including 90% of food needs⁸, 60% of fuel⁹ and 80% of medical supplies¹⁰. Air strikes and an arms embargo that has restricted commercial imports have created severe levels of food insecurity and a lack of medicine and medical supplies. Food stocks are depleted and commodity prices of basic necessities are now beyond the reach of the average Yemeni. 80% of the population is now believed to be in need of some humanitarian aid¹¹. This is in addition to 1.5 million internally displaced and a death toll of more than 4,000 in just five months¹². With the addition of a collapsing health infrastructure and a lack of water and sanitation, the possibility of an increase in the number of deaths

related to treatable or preventable illnesses like dengue fever and malaria surges.

Shortages caused by air strikes and the arms embargo have led to sharp increases in the price of basic goods, especially fuel (which is used for pumping water and generating electricity), but also food and medicine. Food security in the west and south coasts, Shabwa, Abyan, Lahj and Saada are in a state "emergency", whereas the situation is considered "critical" in the highlands of Sanaa,

⁷ "Yemen's Houthis attack Saudi border towns," *Al Arabiya*, 4 July 2015.

⁸ "Collecting data on needs in Yemen amidst frustrating fuel and electricity cuts," *Collecting data on needs in Yemen amidst frustrating fuel and electricity cuts*, *Relief Web*, 15 April 2015.

⁹ "Saudi blockade threatens 'humanitarian catastrophe' in Yemen," *FT*, 10 May 2015.

¹⁰ "International Medical Corps Welcomes Humanitarian Pause in Yemen," International Medical Corps, 12 May 2015.

¹¹ "Press Release: UNICEF Ambassador Eddie Izzard meets Yemeni refugees fleeing the horror of war by sea," *UNICEF*, 16 July 2015.

¹² "At Security Council, UN relief chief cites 'incomprehensible' scale of human suffering in Yemen," *UN News Centre*, 9 August 2015.

Marib, Hadramawt and al-Jawf¹³. Over 21 million people are in need of immediate humanitarian aid and almost half are facing “critical levels of food insecurity¹⁴”; Yemen is on the brink of famine, with an estimated 5.9 million children going hungry¹⁵. In recent months, the UN has upgraded the conflict level to 3—on par with conflicts in Syria, Iraq and South Sudan¹⁶.

The key challenge for humanitarian response organizations identified for the coming 24-month period is access in terms of maintaining safety of staff in the field, and political neutrality in a fragmenting state. Between a homogenous, tightly-controlled Houthi north, a fractious and anarchical south, al-Qaeda in the east and a more bullish Saudi Arabia attempting to constrict aid to certain parts of the country, organizations will have to assess the unique challenges in each area of operation and the surrounding context carefully. In spite of the unpredictability of these challenges, a few things can be assumed. Chronic funding gaps in amounts requested by the UN, and amounts received will only worsen. The Yemen Humanitarian Response plan is currently only 19% funded—a total of US\$298 million of the total demand USD1.6 billion. The UN is also finding itself in the challenging position of its funding drives being monopolized by Gulf funds, receiving Saudi and UAE contributions—with conditions attached. Saudi dominance of the UN’s Yemeni aid response could increase the possibility of the marginalization of other coordinating committees like OCHA.

KEY PLAYERS

This section aims to outline the motives and positioning of key actors with a stake in Yemen’s current civil war and in the brokering of peace, broken down by political and military alliances. Regional proxy influences are followed by local actors.

Pro-Hadi Coalition

Saudi Arabia

Since taking the throne in January, King Salman has played a larger role than his predecessor as a regional powerbroker, and a key role in the Yemen war. Fearing a shift in power dynamics in the region, the kingdom is attempting to undermine the growing influence of Iran by supporting the government of President Hadi against the Houthi advance. Saudi Arabia views the Zaidi Houthis as a dangerous Iranian proxy, and since the success of the nuclear deal Iran has become a more belligerent political heavyweight in the region. Saudi Arabia fears that a stronger Shiite presence in the country could have a concurrent effect on the marginalized Shia within Saudi Arabia, who could begin to demand a greater voice within the kingdom. While the Saudis have spent significant amounts of capital on the military intervention and on humanitarian aid within the country, it is unlikely that they have the capability or will to send in ground troops.

United Arab Emirates

The UAE is extending its influence in the region by playing a key role in the Saudi-led pro-Hadi coalition. Though not directly adjoining Yemen, the small Gulf country has led airstrikes alongside its Saudi counterpart, deployed an estimated 1,500 ground troops to fight the ground offensive¹⁷, and taken a key role in development projects in the liberated southern city of Aden. The UAE is also funding the restoration of Aden’s power grid, rebuilding police stations and providing medication. In line with controlling strategic points in the city, the UAE controls the port and the

¹³ “East Africa: Yemen,” FEWS Net.

¹⁴ “How Critical is the Humanitarian Situation in Yemen?” *BBC News*, 21 August 2015.

¹⁵ “Lives of 14 Million Yemeni Civilians at Risk as Ongoing Airstrikes On Hodeida Port Cut Off Aid Access,” *Save the Children*, 18 August 2015.

¹⁶ “Millions need relief from ‘terrifying’ violence in Yemen – top UN humanitarian official,” *UN News Centre*, 15 July 2015.

¹⁷ “Emirati families shocked as UAE sends conscripts into Yemen battle,” *Middle East Eye*, 10 August 2015.

airport with rebel forces¹⁸. The Emirates is participating in the conflict to counter the threat of growing Iranian influence in the region, and also to nurture stronger relations with its powerful and rich Gulf neighbor at a time where Western influences are waning in the region. The UAE also lends credibility to Saudi forces. Unlike the inexperienced Saudi forces, the UAE army has deployed numerous times in Afghanistan, is considered to be second-best in the region, behind Israel¹⁹.

United States

The United States has been an important ally for the Saudi-backed coalition, providing intelligence and logistical support, likely coordinating airstrikes and approving the sale of weapons to coalition states. The US considers Yemen a strategic ally in their fight against terrorism. According to the US administration, al-Qaeda in the Arab Peninsula is the most dangerous of the AQ franchises. Drone strikes have continued during war time. Furthermore, the US is hoping to appease its Gulf allies who fear declining influence in the face of the Iran nuclear deal and the discovery of shale gas in the US. This could explain the relative silence of the US government over high numbers of civilian casualties during the war so far, and little comment over the Saudi government's negotiations with various UN departments over the distribution of humanitarian aid in Yemen.

Abd Rabbo Mansour Hadi

President Hadi, who first took office in February 2012 during a two-year transitional period, fled Yemen for Saudi Arabia following the Houthi invasion into Aden in March 2015. From his seat in Riyadh, the ersatz leader hopes to regain his presidency with the support of Gulf allies. Currently unwilling to negotiate with the Houthis, he expects a clear and decisive victory with strong military support behind him. Whether he could maintain control over the various factions supporting the coalition in the medium term is unclear.

Southern Movement

The Southern Movement or Hiraq Party is a coalition of various political and tribal groups petitioning for a partitioned state along the pre-unification south-north border. Iterations of the movement have existed since 1990, but the group experienced a resurgence of support in the years leading up to, and including, the Arab Spring. Since the Arab coalition answered President Hadi's call to retake the country, the Southern Movement militias have staked out a greater political role by fighting alongside the coalition. There are doubts, however, as to whether factions within the Southern Movement will continue to fight above pre-1990 borders, into Sana'a or further north²⁰. During the 2013-2014 National Dialogue Conference, representatives of the Movement petitioned for variations of a fragmented state that ceded authority to prior demarcations of south Yemen as a whole, or governorates within it.

Pro-Houthi Coalition

Iran

Iran is expanding its influence by allying with various Shia sects in the region. Nevertheless, the difference between public and private Iranian support of the Houthis is likely to be a considerable one. While Iran has, according to a leaked UN report, been supplying the Houthis with weapons since 2009, the conditions for the country to act as a regional power have been shifted considerably by the success of the US-Iran nuclear deal. While high-profile Iranian leaders have been trumpeting their support for Houthi leaders in public letters and statements to pro-government media, the country's will to provide military and economic support has been dampened by the deal, and its ability by the de facto coalition blockade on Yemeni ports and

¹⁸ In conversation with Oxfam Yemen staff, 9 September 2015.

¹⁹ "U.A.E. Takes Lead in Leaderless Southern Yemen," *The Wall Street Journal*. 30 August 2015.

²⁰ "What the Houthi takeover of Sanaa reveals about Yemen's politics," *Al Jazeera America*, 25 September 2014.

strategic targeting of airports. Therefore support has been mostly strategic and propagandistic in nature.

Houthis/ Ansar Allah

This religious movement of Zaidi Shias under the leadership of Abdul-Malik al-Houthi is concentrated in the northern Sa'ada government, an area economically and politically marginalized since the presidency of Ali Abdallah Saleh. Though the Zaidis were engaged in a six-year rebellion against the Saleh government, the Houthis are now allied with Ali Abdallah Saleh, profiting from his strong tribal and military links. Though the two groups have differing end goals, they both seek to overthrow the Hadi government and will maintain the alliance until it is no longer beneficial. In the likelihood of future negotiations, the Houthis will distance themselves from Saleh, who holds no political legitimacy. In the last few decades, the Houthis have become ideologically and politically closer with Iran, espousing religious discourse closer to the form of Twelver Shi'ism practiced in Iran and likely benefiting from weapons and strategic support for the current conflict. The extent of this support, however, is uncertain and likely limited. Houthi militants are estimated to number 20,000 to 30,000²¹.

Ali Abdallah Saleh and allied forces

After three decades of rule, Al Abdallah Saleh seeks to overthrow the Hadi government. Commanding the loyalty of certain military units and the Hashid tribal confederation, Saleh has eased the way for the Houthis to advance on normally resistant areas. Former President Saleh's tribe was a member of the Hashid confederation, and his reliance on tribal bonds to consolidate his authority gave the Hashid a strong influence throughout his presidency, in particular in northern Yemen. Regarding Saleh's motives to return to the political arena, observers have pointed to his desire to install his son as Yemen's new president. He is first and foremost a negotiator. As he negotiated his amnesty in exchange for the presidency, he will negotiate again for the most conducive position when it suits him. Whether he will be afforded a seat at the table depends on how long he and his forces remain relevant to the conflict, which suggests the continuation of military support for the near future.

Divided state and regional elements

Tribal and military elements fall on both sides of the conflict, and especially Yemen's tribes, are not steadfast in their loyalties or alliances. The prominence of particular parts of these factions cannot be overestimated in assisting the Houthis or pro-Hadi forces control territory.

Tribes

Tribes are at the core of political, social and economic identities of Yemeni citizens and the main method of mobilizing individuals along identity lines. Tribal allegiances shift in response to financial incentives and blood feuds; currently tribes are aligned with pro-Houthi and pro-Hadi alliances, in addition to AQAP, dividing confederations. The northern predominantly Zaidi tribal confederations of Hashid and Bakil have been crucial to the success of the Houthi advance, while tribes in the south that are part of the Madhaj confederation like Bani Hilal and Al Awalik in Shabwa and Yafae in Abyan have fought alongside the pro-Hadi coalition, protecting their territory while benefiting from the vehicles and arms provided by the UAE and Saudi members of the coalition. It is likely that a territorial victory by the Hadi coalition forces could bring tribes previously allied with the Houthis to the negotiating table faster than the Houthis themselves. Another key tribe in the conflict is the al-Ahmar tribe, which leads the Hashid confederation in

²¹ "Yemen Country Profile," ACAPS. July 2015.

addition to the Sunni Muslim Brotherhood-linked Islah party. The tribe has fought against Houthi militias, and parts of these forces are now in Marib with other members of the coalition.

Army

The Yemeni army is deeply divided by loyalties to Yemen's powerbrokers, with factions allied to both sides of the war. A large portion of Yemen's former military including the Republican Guard is loyal to former President Saleh and have been fighting with pro-Houthi forces, yet prominent defector General Ali Mohsen al-Ahmar, member of the al-Ahmar tribe and commander of the northwestern military district and the 1st Armoured division has led his unit against the Houthis. In March 2015, Hadi called for the recruitment of 20,000 southerners into the army, and it is estimated that hundreds have been recruited since.

Anti-government Sunni Jihadist elements

Groups included under this subheading are non-state armed groups fighting to destabilize the government and take territory.

AQAP/ Ansar al-Sharia/ Abna Hadramawt

AQAP has utilized insecurity and conflict in Yemen to expand its territory in southern parts of the country, capitalizing on grievances towards the government and the advancing Houthis. The group has spread from eastern provinces to take control of Mukalla city and port, parts of Aden and Tawahi, with reports claiming that AQAP fighters have insinuated themselves into coalition forces and have been fighting against the Houthis, with the aim of acquiring additional territory. As the group consists of mostly local fighters, it is significantly more embedded in local politics than IS. The organization's seizure of Mukalla but unwillingness to govern suggested their ability to compromise with the local community—something aided by the fact that many members come from the eastern regions they have traditionally been based in. The US government has continued to carry out airstrikes against AQAP targets during the war.

Islamic State

The Islamic State has a small but growing presence in Yemen, also exploiting anti-Houthi sentiment to expand its ranks in predominantly Sunni governorates. Since March of this year, loosely-organized small cells or wilayat falling under the umbrella of Wilayat-Yemen have claimed responsibility for attacks targeting Shia mosques in the country in Sana'a, Ibb, Taiz (the Green Brigade), Lahj, Aden, Shabwa, Hadramawt and al-Bayda. The specific targeting of Shia in these attacks point to the Islamic State's efforts to exacerbate sectarianism in Yemen, as they did in Iraq. While the group's violent actions have begun to be replicated by elements of AQAP, it appears as though recruitment has not been an easy feat. The small number of suicide bombings is potential evidence of this. Nevertheless, they will increasingly pose a challenge to the security of the state, in addition to other more established organizations in the region like AQAP, who has denied any alliance with IS.

FOUR SCENARIOS

Each scenario aims to provide a differing two-year outlook into the Yemen context. Scenarios weave together hypotheses concerning key drivers in the country to create a cohesive possible outcome and are based on certain assumptions. Hypotheses concerning the two-year time period do not attempt to include all possible iterations of the future. Alternatives to the political, economic and social reality exist beyond the four following outlooks, but are framed by the actions of the most powerful stakeholders. Saudi officials are asserting their position in the region in the face of increasing Iranian influence. As the war continues, the risk of a more fragmented, endemic

and regionalized war increases, intensifying and prolonging the deteriorating humanitarian situation.

Why can't we all just get along? Imposed Diplomatic Solution

Negotiations overseen by the UN begin at the end of October, but the Saudi coalition still seeks a military victory, and continues its attacks on the north during the beginning of the process in an attempt to gain further leverage over the Houthis. A temporary ceasefire follows months after the start of negotiations and an ongoing intensive bombardment. The Houthis use the opportunity to cede Sana'a, retain de facto control over Sa'ada and to regroup. Negotiations overseen by Oman's Sultan Qaboos lead to an uncertain reunified Yemen under President Hadi, with decision-making processes devolving to Ali Abdallah Saleh, and other local leaders. Sana'a is in the hands of the Hadi government but remains a bastion of support for the Houthis. The southern HIRAK Movement agrees to participate in southern governance in exchange for massive Saudi financial inducements to rebuild, and under the condition that the south is run nearly autonomously and the possibility of secession still exists at the end of the transitional period, when Yemenis can vote in a referendum. Based on the National Dialogue Conference six-state federalist blueprint, Hadi attempts to at least informally hand over power of Aden, Lahj, Dhalea and Abyan to the Southern Movement. Parts of Ibb and Taiz remain contested.

In the meantime, Hadi with support from the UAE seeks to placate forces loyal to him during the offensive against the Houthis, and to consolidate his influence over southern coalition forces, but finds it increasingly difficult. In exchange for a bigger political voice, individuals belonging to the Southern Movement, the Al-Ahmar tribe, the Muslim Brotherhood Al-Islah party and others enter the army and police forces under the banner of a unified force loyal to Hadi, now co-opted by his nascent government. With the incentive of financial aid for rebuilding, the Houthis accept a role in the political process, but are excluded or undermined in governance and state activities. Small Houthi incursions into Saudi territory occur periodically and are dealt with unilaterally by the Saudi military. President Hadi is not powerful enough to represent a real threat to any one party, and depends on the external support of Saudi Arabia, the acquiescence of Ali Abdallah Saleh and a consortium of tribes and southern secessionists. Such a balance suits the various stakeholders for the moment, and interests begin to jostle for power.

Iranian support for the Houthis has all but dried up. With the threat of Saudi Arabia continuing their attack further north now neutralized, Iran backs out of Yemen, focusing its resources in Syria and Iraq. As the key guarantor of peace and stability, and with the threat of increasing jihadism targeting Shia communities threatening to provoke an Iranian intervention, Saudi Arabia suppresses the overt influence of AQAP, forcing the group to retreat back to its Hadramawt base of support. Due to IS' more resilient and isolated network of supporters, the group continues to carry out attacks against Shia and Houthi targets, and directs some of its targets towards the Saudi kingdom. AQAP members defect to the stronger IS, and al-Qaeda is left in the awkward position of competing with its rival.

With the stability of single-party rule, Yemen's ports and airports are repaired and re-opened for business, bringing in much-needed food, medical goods, fuel and humanitarian aid, and allowing for the oil industry to resume. However, a full economic recovery takes time, and is precluded by the GCC's efforts to suppress northern regions by informally diverting humanitarian and supply chains away from northern regions and allowing localised groups to distribute aid in a way that best benefits them. As revenue returns to the country, the Hadi government redirect resources to reconstructing and improving rural and urban transport, medical, educational and water and sanitation infrastructure. With Saudi donations contributing to the rebuilding of shattered cities, the projects build not only the legitimacy of the government, but also creating jobs for young Yemenis. Such benefits are not spread equally across the country, however. Due to the sizable influence of Gulf partners, infrastructure development is concentrated in the south, with the

United Arab Emirates leading on projects. Nevertheless, humanitarian aid is able to circulate, albeit more difficultly in the governorates of Sa'ada and around Sana'a, as a form of retributive punishment for the conflict. With increased access humanitarian agencies are able to ameliorate the food security situation though chronic malnutrition remains a serious concern.

Factionalism and further fragmentation

Negotiations between the Houthis and the Hadi government focus on the city of Sana'a. Houthi forces refuse to give up their grip on the city and hold out as Sana'a is destroyed through heavy aerial bombardment and assaults by coalition groups on multiple fronts coming from Marib, Hudayda and Taiz. Pro-Hadi forces abandon negotiations for a military victory and all frontlines are brutal. The mercenary tribes of Marib struggle through mountainous terrain and southern tribes coming from Taiz slow in their offensive from heavy casualties and a lack of morale. Hudayda too falls only after months of intense fighting. Air bombardments increase, but do not adequately make up for strong ground forces. The possibility of a famine in the embattled city leads hundreds of thousands to flee the city into rural areas, but Houthi forces control the direction of their migrations. Host communities in the south are highly suspicious of northern displaced peoples and prevent their integration. The north does not have adequate resources to welcome them, and humanitarian conditions concerning WASH and food security worsen. A short ceasefire is negotiated, allowing humanitarian aid to access certain communities. While the Hadi government has been officially installed in the new capital of Aden, stakeholders across political divisions use the opportunity to tighten their grips on their areas of influence, claiming to participate in a process of governance while stockpiling weapons and organizing their forces. Areas in the north and south fragment into fiefdoms controlled by pro-Saleh forces, the Houthis, Southern Movement, various tribes, the Islah party and more extremist Islamist organizations. Aden is the site of particularly brutal internecine battles, but violence flares up across the country.

President Hadi's methods to maintain control become more brutal as he uses forces loyal to him, along with Saudi support, to attack Houthi strongholds in the north. He sets southern coalition partners against each other to weaken them, while simultaneously offering them financial rewards to maintain loyalty. Formerly opposed parties, including the pro-Saleh forces in the north and various southern groups, decide to form an alliance to overthrow the Hadi government. AQAP in the eastern region is left to deal with sporadic US drone attacks, but move around more easily in the chaotic post-war period. By nature of its smaller cells of operation, ISIS capitalizes on AQAP being under attack and expands in cities. The groups compete for influence by carrying out more brutal and more frequent attacks. AQAP adopts of the rhetoric and methods of ISIS in an attempt to attract followers and compete with the organization. Continuing attacks on Houthi bases of power and an increase in terrorist attacks against Shia communities ignored by the Hadi government force Iran to make more provocative statements about protecting the Houthis in local media, which draws Saudi Arabia into the conflict once more.

Factionalism has a negative effect on trade, as groups vie to control ports, attacking nearby energy and economic infrastructure co-opted by groups with different affiliations and weakening the already faltering Yemeni economy. The targeting of energy, fuel and WASH infrastructure increases the humanitarian needs for civilians. Fuel and water resources controlled by a small number of tribes and government-affiliated individuals are sold to the highest bidder. An increase in robberies and extortion carried out by local militias inducted into Hadi's police force are symptomatic of widespread insecurity. The complete anarchy of destroyed cities, and a slow start to rebuilding exacerbates hunger, water scarcity and numerous health problems for citizens, who move into rural communities, and further strain local infrastructure networks. The humanitarian situation deteriorates severely, but organizations are limited in their response by the numerous factions that control the country and the lack of security in crossing territory, compounded by the difficulty in accessing displaced persons who have fled to rural areas nearly inaccessible by main roads and the destruction of key roads by multiple actors. The absence of coordination between

different state actors combined with de facto Saudi control further exacerbates the instrumentalization of Saudi aid and the severe humanitarian needs in north Yemen.

North/ South Divide

UN-brokered negotiations begin amidst the severe threat of famine in large parts of the country, following UN Resolution 2216, which calls for the Houthis to cede territory and weapons. Negotiations are supported by a consistent and united campaign led by humanitarian actors and the international community to put an end to the war. Mounting diplomatic pressure on the GCC and its partners, the readiness of Iran to end the military engagement and the willingness of the Houthi/ Saleh alliance to use the moment as a catalyst for negotiations leads to an uneasy détente imposed by Saudi Arabia and a host of international actors. Using the National Dialogue Conference's plan for a six-region federalist state as a starting point, the Houthis and Southern Movement factions agree to at least the bisection of the state along pre-1990 demarcations, though the option for a further splintering exists. The north remains in the de facto control of forces allied with the Zaydi Houthis, while the Hadi government begins to officially establish itself in Aden, the temporary administrative government capital of Yemen, as Sana'a will require significant efforts to rebuild.

Within the Hadi-controlled southern governorates, attempts at governance fail as factions that fought together against the Houthis begin to splinter, demanding power-sharing concessions from President Hadi to keep the peace—which becomes more and more difficult to do, as Saudi Arabian leadership backs out of Yemen to re-engage more forcefully in the next proxy arena of Syria. Just like in the 2013 process of National Dialogue, the Islah party manages to gain a substantial share of parliament as one of the few organized parties. As the Hadi and Houthi governments attempt to control the constituent parts of their increasingly antagonistic regions, eastern Yemen falls further under the control of AQAP. With the tacit understanding that AQAP contains the threat of an IS expansion and keeps attacks within Yemen's borders, Saudi Arabia and the US intervene only superficially through targeted air strikes on rural areas, leaving Islamic fundamentalist Salafi groups to spread unhindered in urban areas.

Islamist affiliations increase across the country. The Saudi-led coalition continues to incentivize conflict with the northern Houthis, providing weapons in the south and rebuilding energy and transport infrastructure, while continuing to starve northern communities by placing obstacles to trade and humanitarian aid. Numbers of internally-displaced persons fleeing from the north increase and conflict takes on sectarian dimensions, which are exploited by the Islamic State.

High fuel, food and water prices lead to public protests and the lack of a longer-term political solution threatens the stability of the transitional government after the stabilization of the South. Young people remain disaffected and alienated from local government, and their economic and educational grievances remain unanswered. In the north, the lack of commercial trade reaching Houthi communities due to the ongoing GCC presence at the port of Hudayda and on the Dhamar and Marib roads leading to Sana'a worsens already high levels of malnutrition and poverty. With high prices of fuel, and difficulty in coordinating the rebuilding of infrastructure across the country and a lack of oversight, preventable illnesses like diarrhoea, malaria and dengue fever begin to spread, especially in northern cities. It is difficult to access the most vulnerable communities due to coordination, which worsens the health crisis.

Arab Spring 2.0

Negotiations between pro-Houthi and pro-Hadi forces begin optimistically, and collapse as multiple factions disagree over the terms of a ceasefire and future governance. The war continues on multiple, proliferating fronts. Saudi-led coalition forces bombard Sana'a and quickly re-take the city as the Houthis retreat to their northern stronghold of Sa'ada. Conventional warfare, using ground troops and tanks, is nearly impossible in the northern mountainous region. Because of

this, Saudi Arabia carries out heavy bombardments on the Shia northern region, including the Sa'ada governorate. Facing annihilation, pro-Houthi forces accept a peace treaty and President Hadi is established as the president of Yemen for a transitional period.

Hadi, returned to power by the Gulf coalition, holds elections and a government made up of the pro-Hadi coalition forces is formed. In the south, stability is precarious. Governance takes on the shape of the failed National Dialogue Conference, and southern allies lose faith. A generational divide emerges within competing parties, as an older generation of politicians fail to adequately make space for the voice of an increasingly politicized and vocal younger generation. Groups cleave along generational lines in both the north and south, as forces formerly allied with Hadi vie for supremacy in Aden, contributing to a lack of security in the key southern port town. Continuing restrictions at Yemen's major ports deepen the economic crisis in the country and make for a slower recovery. Unemployment rates remain considerably higher than pre-conflict levels, and the price of fuel, food and water are recovering incrementally. The north is a near humanitarian disaster, and historical grievances against the Saudi and Yemeni governments have deepened. With low oil prices depleting their foreign reserves, Saudi Arabia and Iran are relieved to use the pretext of a Hadi government to agree to a *détente*, backing out of intense public involvements, preferring private discreet interventions in Yemen.

Sunni Islamist groups capitalise on the lack of organized parties on the ground to build their influence in communities, benefitting from covert Gulf support. The Muslim Brotherhood Islah party works to dominate civil society in the south. AQAP and IS expand their influence into the south as well, joining together in a tacit rapprochement that allows the groups to benefit from AQAP's firmly established links in Yemen and Saudi Arabia, and IS' ability to garner followers. Beginning in Yemen, the repercussions of this accord spread to Syria, and signal a major sea change in Islamist terrorism across the region.

The country's authorities are unable to mount a credible strategy to deal with these factors. The Hadi government is riven with petty infighting and the country descends further into chaos, violence and war. The threat of terrorism contributes to continued high prices for fuel, food and water prices. With the economy near collapse and the government unable to coordinate a response, public protests challenge the continued rule of the transitional government.

The youth remain disaffected and marginalized from local government and local groups which ultimately fail to address basic subsistence and material needs. Regardless of affiliation or ideology, the consistent framing of political conflict as being existential quickly alienates the youth who fought and protested during the years following the Arab Spring. Islamist affiliation increases, which further polarizes communities. Saudi Arabia, the United Arab Emirates and Bahrain, fearing similar waves of protests within their own borders, prepare for a second military intervention in the country. Fuel prices continue to increase and Yemenis are forced to limit the use of water pumps. Disease spreads in cities. Humanitarians are prevented access by the destruction of roads, airports and ports and a low amount of funding dedicated to rebuilding.

Longer Term Trends and Challenges

This section aims to probe in further detail trends and drivers that are indicated to have a continuing and expanding impact on Yemen. While these topics have been considered in the scenarios above, these trends have been chosen for their high likelihood of continuation and the significant impact they have on other drivers in Yemen, impacting governance, economics, access to resources, conflict and food security. They have been treated in further detail below to frame longer-term outlooks and projections.

Population Growth

Population growth puts increasing pressure on the fragile state to provide services to its citizens, and exacerbates contests for resources and livelihoods. //Yemen has a population growth rate of 2.6% one of the highest in the region, coupled with a low governmental capacity to provide for its citizens. While the government has been successful in reducing the country's very high rate of fertility from 6.2 children per women in 2005 to approximately 4.27 in 2015, it is likely that some of this positive development progress could be undone by the instability of war. Like much of the Middle East, Yemen boasts a very young population, with the average age of a Yemeni citizen 19 years old, and around 40% of the population under the age of 15. At the current rate of growth, it is projected that the population of the country will double by 2050 to reach 50 million. Add to this endemic poverty (Yemen is ranked 154 out of 187 in UNDP HDI), youth unemployment of around 40%, low levels of literacy and unfair distribution of resources—particularly water—and the situation is likely to be very unstable.

The ongoing internal struggles in the south, the north and the east have created economic, political and social grievances among a huge portion of Yemeni society and a lack of trust in governance. The inability of the government to address these longstanding grievances which severely impact on the ability of people and communities to develop, coupled with the youth boom in Yemen creates a similar dynamic to those that led to the wave of protests across the Arab region in 2011. Considering the high youth populations across the Arab world in 2011, by 2025, it is estimated that the number of Yemeni youth between the ages of 15 and 24 will increase by three million—20% of the population. Young /population growth, combined with a reduction in infant mortality and higher life expectancy, is a significant challenge in the medium and longer term. A youth boom in a fragile state creates youth exclusion, which has been shown to contribute to greater

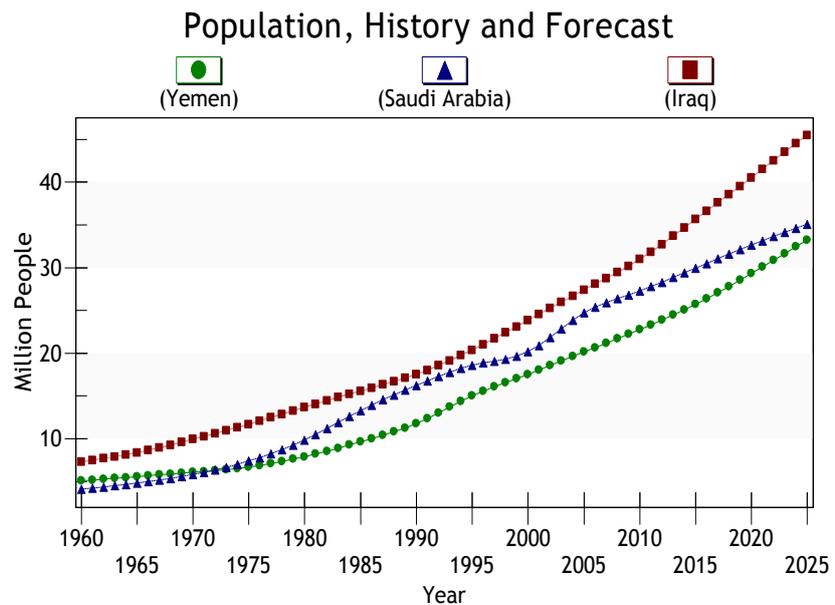


Figure 1: The International Futures (IFs) modeling system, version 7.14.

instability²². The conscription of the young by both pro-Hadi and pro-Houthi lines is testament to this dynamic.

Acute Water Shortages

Yemen’s long-standing physical water scarcity is exacerbated by economic scarcity—poverty, population growth, mismanagement and conflict. Diesel subsidies put in place in 1990 made pumping water more affordable, leading to the overuse of pumps to extract water from an ancient sandstone aquifer deep within the ground—a source of groundwater that cannot be replenished. This combined with the use of 80% of the country’s water resources for agriculture, and the cultivation of the water-intensive cash crop qat has greatly depleted nonrenewable water sources.

Water Demand and Water Supply in Yemen

Total from all Sources

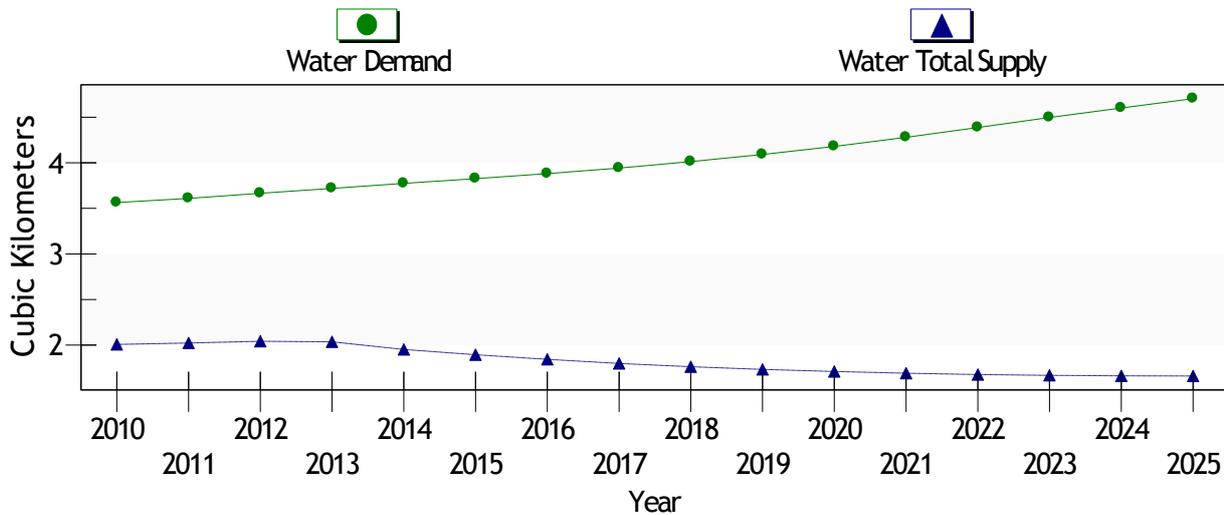


Figure 2: The International Futures (IFs) modeling system, version 7.14.

The government has been unable to manage this mounting crisis. The vast majority of Yemen is not connected to cheaper municipal water supplies and depends on more expensive private water deliveries. State-run water companies also only meagerly supply major cities, and 70 percent of Yemenis live in rural areas²³. Even for the few connected to water sources, the aged pipe network has sustained such damage that an estimated 60% of the supply is lost through leakage. In spite of these challenges early this year the government cut the budget of the National Resource Authority by 70 percent.

Though the country has a history of rainwater harvesting methods, a lack of government policy combined with fuel subsidies has led to the possibility of cities like Sana’a going dry in only a few years, with Yemen estimated to be currently using 169% of its renewable water resources. /There is no enforcement of water-use regulations, meaning the extraction of water is a free-for-all that both exacerbates conflict and is exacerbated by it. This has led to the illegal drilling of wells and massively unequal access to resources, as the use of diesel to pump water makes the price of water highly contingent on oil and gas prices—now out of reach for the half of the population living on less than two dollars a day. Huge shortages of fuel during the current war has meant that the average Yemeni now pays more than 30% of their income to get water into their houses—the

²² Read “A Clash of Generations? Youth Bulges and Political Violence,” *International Studies Quarterly*, 11 September 2006.

²³ “Comprehensive Development Review, Yemen: Building Block on Urbanization,” World Bank, February 2015.

highest rate in the world according to senior expert at Yemen's water and environment ministry Abdulkhaleq Alwan²⁴.

Such a dearth of water creates instability in the already fragile state—something noted by even Yemen's pro-government newspaper *Al-Thawra*. In 2013, it was estimated that 70-80% of communal conflicts in rural Yemen are water related, and that across the country, water and land disputes result in 4,000 deaths each year²⁵. Some have stated that the number is likely much higher.

Wells in the capital city of Sana'a now extend up to 1,200 meters in the ground, with water levels in the aquifer now dropping by six meters a year. UNDP programme officer Qahtan al-Abahi was quoted saying that the lower the water table, the lower the quality of the water. "The water is becoming more salinized," he said. He spoke about a rise in kidney ailments²⁶.

Solutions to the crisis have been put forward—ranging from investing in desalination in coastal areas, persuading farmers to grow less water-intensive crops and even moving the city of Sana'a. However, as half of population works in the agriculture sector, depending on crops for their livelihood shifting the economic base away from such industry will be met with resistance, leading to increasing socio-economic grievances.

Urbanization

Urbanization and the haphazard growth of urban settlements, has the capacity to exacerbate existing structural, health and economic issues. //With 66% of the population living in rural areas²⁷, Yemen is the least urbanized country in the Middle East²⁸. The 4.9% rate of urbanization, however, is one of the highest globally so this is quickly changing. Exceeded by only Afghanistan (5.4%) and Eritrea (5.4%) and Burundi (6.8%), Yemen's projected urban growth will likely challenge the underdeveloped country to meet the education, health, housing, economic, infrastructural and nutritional needs of the growing urban population, as any population expansion will likely be informal and not coupled with infrastructural developments to provide adequate housing, jobs and WASH services. As a result of the current civil war the 1.2 million internally displaced people who have sought shelter in cities like Aden, Sana'a and Taiz and are putting pressure on already weak communities.

In Sana'a, rapidly depleting water resources are the biggest problem for the expanding city. Between 75-85% of residents buy their water from private sources and are not connected to government infrastructure. A similar proportion of people are not connected to the city's sewage system either, portending future sanitation issues. With communities providing their own sewage systems, existent pipe networks that are not sealed, and leak, the possibility of disease spreading in poorer areas not wealthy enough to install functioning infrastructure is high, especially without government oversight to monitor shoddy and improper sanitation in a community, and a total lack of accountability. As urbanization is forecasted to continue to increase unabated, these challenges are only likely to grow.

²⁴ "Rising water price hits Yemenis, shortage may become bigger problem than war, experts say," Reuters, 29 June 2015.

²⁵ "How Yemen Chewed Itself Dry", *Foreign Affairs*, July 2013,

²⁶ Qahtan al-Asbahi quoted in "YEMEN: Rapid urbanisation threatening capital's water supplies," *IRIN News*, 14 August 2007.

²⁷ "World Urbanization Prospects: The 2014 Revision," *Department of Economic and Social Affairs, United Nations*.

²⁸ *Ibid*.

Urban Percent of Population of Yemen

History and Forecast

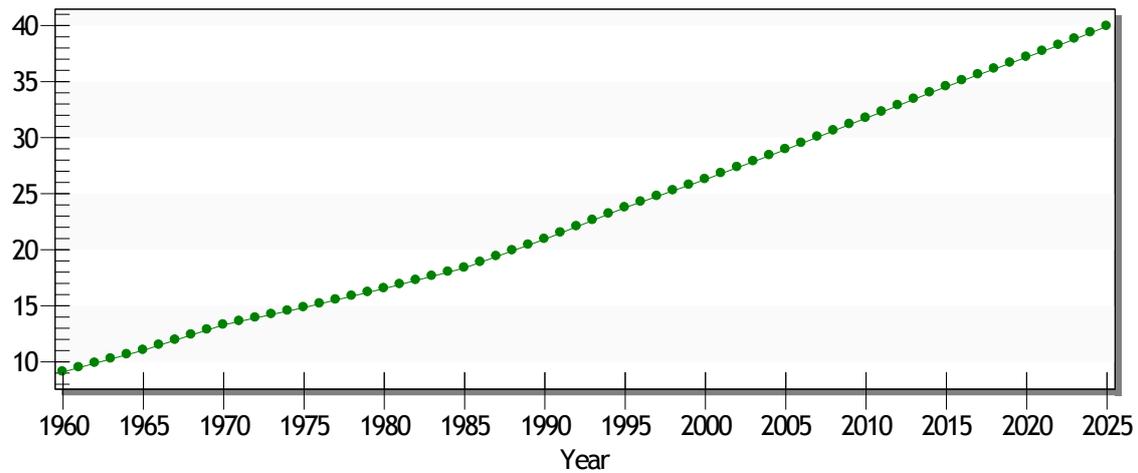


Figure 3: The International Futures (IFs) modeling system, version 7.14.

CONCLUSION

Yemen—the poorest country in the region—is beset by persistent challenges that affect the quality of life of Yemeni citizens. The current war between the pro-Hadi coalition and pro-Houthi forces has catapulted the country into a deeper humanitarian crisis that will aggravate endemic humanitarian needs and leave citizens more vulnerable to shocks for years to come. Even in a scenario where a ceasefire was called within six months and stabilizing governmental processes were put in place, the lack of state capacity or infrastructure suggests that humanitarian responses will extend far beyond the ceasefire. Long-term trends like water shortages, urbanization and population growth have long been identified by government officials and international organizations as issues to which policies can be directed to help Yemen cope. Yet the fragile nature of the state and ongoing instability has curtailed these efforts, and will likely compound the effects of these trends in the next five years, without serious policy and developmental intervention. ■

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