

ACCESS TO BASIC NEEDS IN YEMEN: SCENARIOS

Possible developments affecting Yemenis' access to basic needs and services in 2020

August 2020

Scenario 1 Conflict decreases amid a rise in COVID-19 casualties and economic deterioration



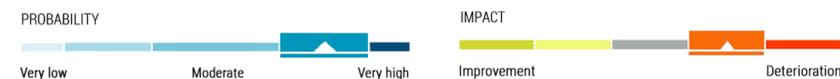
COVID-19 spreads throughout Yemen resulting in high morbidity and mortality reducing the capacity of all sides to the conflict with fewer and less intense clashes. The economy starts to decline significantly, as exports and imports reduce sparking shortages of essential items. Foreign currency reserves run out, the GoY receives no external financial support and remittances increasingly drop. Inflation rises fast while the Yemeni Riyal devalues significantly. Many state salaries go unpaid and the provision of state services declines. People's purchasing power lowers. The health system is particularly overstretched. Humanitarian response is affected by the economic situation and COVID-19 restrictions.

Scenario 3 Conflict intensifies as peace initiatives fail, fuelling the spread of COVID-19 and economic collapse



Frontline conflict intensifies. Clashes and riots increase in many cities pushing Yemen to total collapse. Displacement increases all over Yemen, leading to the uncontrolled spread of COVID-19. Other diseases also increase, and the collapse of the health system brings higher morbidity and mortality. The transport of essential goods around the country becomes very difficult. Port operations experience international sanctions which affect oil exports and earnings. Inflation soars, food prices increase, and fuel shortages are commonplace. Most humanitarian operations close due to increased attacks against humanitarian actors and funding shortfalls.

Scenario 2 Continuing conflict with periodic escalation, COVID-19 cases continue while the economy declines slowly



The conflict continues along many of the current frontlines with periodic escalations in violence. The Riyadh agreement fails. Displacement increases. Two de-facto authorities, the Houthis in the north and STC in the South impose competing mechanisms to address COVID-19 and response is ineffective. Nevertheless, there is no significant rise in morbidity and mortality due to COVID-19. Ports operate at a slower pace. Delays in imports and lead to increases in prices. Remittances, on which Yemen relies for foreign currency, fall. The exchange rate gap between Sana'a and Aden continues affecting imports and food and fuel supply chains. Humanitarian space reduces especially around conflict areas.

Scenario 4 Fragile ceasefire sets the foundation for a slow recovery and improved response to COVID-19



A ceasefire agreement de-escalates conflict, though the political process is slow to restart. Communication between different local/central authorities increases, improving efforts to deal with COVID-19. Reported COVID-19 cases start to decrease. Currency stabilises after Saudi deposits additional funds to the CBY - Aden, remittance flows increase and oil production and exports resume. The central bank of Aden and Sana'a come to an agreement. Imports to Yemen increase. Sanctions on Yemen are lifted. Dialogue between health officials and emergency groups in Houthi and GoY controlled areas allows for greater access for humanitarians and leads to the implementation of a more adequate response.

Introduction

Problem statement

More than five years of war have pushed millions of Yemenis into increasingly desperate coping mechanisms. Conflict, spread of diseases, economic crisis, and the breakdown of institutions are driving high levels of humanitarian need. Conflict between the internationally recognised Government of Yemen (GoY) and the Houthi movement escalated following the Houthi takeover of the capital, Sana'a, and the consequent intervention of the Saudi-led coalition in support of the government in March 2015. Since then, the conflict has resulted in over 100,000 casualties, displacement, severe access constraints, and an economic downturn affecting food and fuel, leaving approximately 24.3 million people (80 per cent of the population) in need of humanitarian assistance.

Scenarios for June – December 2020

These scenarios are not attempts to predict the future. Rather, they describe situations that could occur in the coming six months and are designed to highlight the possible impacts and humanitarian consequences associated with each scenario. The aim is to support strategic planning, create awareness, and promote preparedness activities for policymakers and other actors working on the Yemen response. The timeframe is until December 2020 although the scenarios may remain valid some months longer.

Limitations

Scenarios can seem to oversimplify an issue as the analysis balances details against broader assumptions. Scenario-building is not an end in itself; it is a process for generating new ideas that should, in turn, lead to changes in project design or decision-making. These scenarios focus primarily on the potential ways in which people can access basic needs and services and the resultant impact and humanitarian consequences. Due to COVID-19 preventive measures, the workshop was held remotely via Zoom, constraining the collaboration among participants. Further, the situation in Yemen keeps changing, making it difficult to judge determining factors and triggers.

How to use this report

The four scenarios are summarised on page 2. Pages 4–7 provide more detail on the scenarios, including potential humanitarian consequences. Pages 8-9 list seven factors that could compound the humanitarian consequences of any of the scenarios. Pages 10-11 give an overview of the current situation in Yemen. Annexed is a summary of the trigger events that could lead towards the situations described in the scenarios.

How scenarios can be used

Scenarios are a set of different ways that a situation may develop. The aim of scenario building is not to try and accurately predict the future, but rather to understand the range of possible futures and then select a few that result in distinct situations with, usually, differing humanitarian outcomes that can:

- Support strategic planning for agencies and NGOs
- Identify assumptions underlying anticipated needs and related interventions
- Enhance the adaptability and design of detailed assessments
- Influence monitoring and surveillance systems
- Create awareness, provide early warning, and promote preparedness activities among stakeholders

For more information on how to build scenarios, please see the ACAPS Technical Brief on Scenario Development in the Methodology section of ACAPS' website.

Methodology

These scenarios were developed during a two-day workshop on 16 and 18 June 2020. Due to the COVID-19 restrictive measures, the workshop was conducted online. 23 experts from 12 humanitarian, academic, diplomatic, or policy organisations validated and developed seven possible scenarios, including mapping of variables that could cause and change the situation in Yemen. Later, by making assumptions as to how these variables might plausibly change, at last four scenarios were identified. These scenarios were then expanded, and the major impact of each scenario and its humanitarian consequences identified. A combination, but not necessarily all, of the triggers are required to reach a scenario. However, elements of each scenario could unfold at the same time, and elements of a scenario could also trigger other scenarios. The estimated caseload for each scenario is an estimate of the additional caseload that could result should the scenario unfold (on top of the 24.3 million people already judged to be in need by the UN).

Thank you

ACAPS would like to thank all organisations that provided input to these scenarios: both those that attended the online workshop and those that contributed via bilateral meetings. For additional information or to comment please email: YAHinfo@acaps.org.

Scenarios 1. Conflict decreases amid a rise in COVID-19 casualties and economic deterioration



COVID-19 spreads throughout Yemen, resulting in high morbidity and mortality. As most military groups attempt to isolate, conflict decreases with fewer and less intense clashes, though the use of indirect weapons (shelling and aerial attacks) continues. Although conflict incidents reduce, there are no peace agreements or official ceasefires and the country is not more secure. Neighbouring countries' preventive measures lead to border closures. The GoY receives no external financial support following the exhaustion of Saudi funding. Food and fuel importers turn to commercial lenders to finance imports, driving higher inflation which rises fast; the Yemeni Riyal (YER) devalues significantly. Many state salaries go unpaid and the provision of state services declines. The health system is particularly overstretched. Increased efforts to contain COVID-19 further restrict employment and increasing numbers of Yemeni are forced into poverty or debt.

Possible triggers/assumptions

Political

- Reduced Saudi engagement in the Yemen conflict and support to GoY
- STC and GoY agreed to implement Riyadh Agreement
- Kingdom of Saudi Arabia continues dialogue with the Houthis and STC
- Ceasefire agreement
- Large scale desertion by fighting forces

Economic

- Decrease in remittances
- Economic situation deteriorates in Saudi Arabia
- Continuation of fuel crisis
- No additional funding to GoY from Saudi Arabia
- Decrease in export earnings

Health

- COVID-19 infections spread in the region
- Poorly implemented, poorly coordinated or contradictory mitigation measures

Estimated additional caseload

Thousands of people test positive for COVID-19; increased mortality among people suffering from other diseases unable to access healthcare. Thousands of people face higher levels of food insecurity.

Geographic areas of most concern

While COVID-19 is more likely to spread in cities and populated areas, needs might increase also in rural and less populated areas where people have displaced out of fear of catching the virus. The economic deterioration impacts the whole country.

Impact

Lack of security combined with fear of COVID-19 severely impedes movement of people and goods. Health services are overwhelmed. The economy starts to decline significantly. Exports and imports reduce and shortages of essential items, due to difficult logistics, drive price increases. Reduced remittances and export earnings, depletion of the Saudi deposit and lack of additional funding lead to a drop in the inflow of foreign currency. Divergent exchange rates and depreciation of the YER contribute to hyperinflation. Many people face reduced incomes or lose jobs altogether. Service provision is disrupted as COVID-19 affects a high number of public servants, including health workers, teachers, and garbage collectors. Displacement away from big cities towards smaller villages leads to rising tensions between IDPs and host communities. IDPs, migrants, and refugees are blamed for carrying the virus; discrimination towards them prevents their access to resources. The fuel stand-off continues and fuel supply to the Yemeni market decreases, increasing prices, especially on the black market.

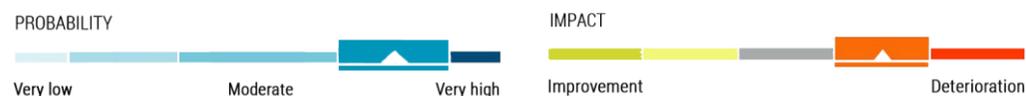
Humanitarian consequences

Health, food, and protections needs increase. Food security deteriorates given high food prices and the lack of income and livelihood opportunities. Access to regular health services apart from COVID-19 is significantly reduced. Health facilities lack sufficient supply to respond to COVID-19 cases. Reduced employment and freedom of movement drive an increase in domestic and gender-based violence. Increase in the price of fuel and limited supply disrupts hospitals, water accessibility and sanitation services, and increases costs for humanitarian operations. People's access to basic services is challenged by movement restrictions following COVID-19 preventive measures.

Operational constraints

Humanitarian operations face challenges due to the economic environment. COVID-19 cases also increase among humanitarian staff. Quarantine and other preventive measures reduce humanitarian operations. Poor track and trace and limited testing capacity makes it very difficult for humanitarians and health authorities to identify COVID-19 outbreaks and respond effectively.

2. Continuing conflict with periodic escalation, COVID-19 cases continue while the economy declines slowly



The conflict continues along many of the current frontlines. Escalations of violence occur around Marib as the Houthis continue their offensives from different directions. Conflict escalates also in Abyan. Airstrikes from the Saudi led coalition increase. Displacement increases. The position of the GoY weakens. Two de-facto authorities, the Houthis in the north and STC in the south impose ineffective mechanisms to address COVID-19 outbreak. Nevertheless, there is no significant rise in morbidity and mortality due to COVID-19. Ports operate at a slower pace, resulting in import delays and price increases. The exchange rate gap between Sana'a and Aden continues affecting imports and food and fuel supply chains. Humanitarian operations are challenged by interference and bureaucratic impediments.

Possible triggers/assumptions

Political

- Riyadh agreement fails
- United Arab Emirates (UAE) send reinforcements to STC
- Tension increases between Saudi Arabia and UAE
- Hadi leadership weakens
- Increased activity or interference from Islamic State (IS), Al Qaeda in the Arabian Peninsula (AQAP), militias, and others

Economic

- Additional foreign deposit to the Central Bank of Yemen
- Low inflow of remittances
- Newly printed banknotes released
- E-currency continues to be encouraged in the north
- The ban on new YER banknotes continued in the north
- Establishment of two different fiscal and monetary policies in the north and south
- Ongoing or increasing regulations around imports and movement of goods across the country

- Revenues drop, impacting the ability of the GoY to regulate market activity and the value of the YER
- Fuel stand-off in Al Hodeidah continues

Estimated additional caseload

COVID-19 cases continue but the lack of proper reporting mechanisms makes it hard to collect data. Continuation of conflict results in hundreds of additional fatalities as well as displacement.

Geographic areas of most concern

Clashes are concentrated around Marib and Al Hodeidah in the north, and Ad Dahle and Abyan in the south. The economic deterioration impacts the whole country.

Impact

The continuing conflict results in casualties and displacement. Increased violence around gas and oil fields leads to destruction of facilities. This results in a drop in export earnings, loss of livelihoods, and a very significant impact on the environment. In the south, service provision disruption contributes to growing resentment towards the GoY, driving civil unrest. Aggressive police response results in casualties and detentions. The economic situation remains dire although stable; the UN's support helps to prevent blockages of fuel imports. However, unfavourable exchange rates keep imported goods prices high and people's purchasing power low. Looting increases. Casualties are higher following clashes. COVID-19 continues to spread, though with little information on which areas are most affected and the number of casualties.

Humanitarian consequences

Continuation of conflict leads to localised displacement around areas of active clashes. In Marib, where the majority of IDPs are located, displacement leads to increased vulnerability, reducing people's coping mechanisms. Access to livelihoods decreases due to insecurity and COVID-19 measures, further reducing income and limiting access to basic services. Lack of reporting mechanisms and increasing bureaucratic impediments make cases of COVID-19 and other diseases difficult to track. Food insecurity continues due to low affordability of basic goods.

Operational constraints

Interference and bureaucratic impediments continue increasing. Humanitarian organisations start pulling out from conflict areas.

3. Conflict intensifies as peace initiatives fail, fuelling the spread of COVID-19 and economic collapse



Efforts to reach a settled agreement between the Houthis and the GoY fail, reigniting the conflict and pushing Yemen into total collapse. Frontline conflict intensifies, clashes and riots increase in many cities and the number of casualties rise. Some of the crude oil fields around Marib are destroyed to prevent them falling into the Houthis' hands. The surge in violence is ignored by Saudi Arabia, prompting a third country to play a far more active role in the conflict. Displacement becomes significant all over Yemen, leading to the uncontrolled spread of COVID-19. Case numbers of different diseases also increase, and the collapse of the health system brings higher morbidity and mortality rates. The transport of essential goods around the country becomes very difficult. Port operations experience disruptions and delays, contributing to increasing prices. Suspension of oil exports drops earning and reduces foreign currency inflow. Inflation soars, food prices significantly increase, and fuel shortages are commonplace. Increased attacks against humanitarian actors and funding shortfalls result in closure of most humanitarian operations.

Possible triggers/assumptions

Political

- Failure of peace talks
- A country other than the KSA intervenes in favour of one of the sides to the conflict
- Increased regional tension
- Increase in protests and/or grievances

Economic

- New imposed international sanctions
- Foreign currency reserves run out
- No new international funding or support
- Port closures

Health

- Spike in COVID-19 infection in the region, specifically in Saudi Arabia

Estimated additional caseload

Intensified conflict results in thousands of additional fatalities and mass displacement. COVID-19 infection rates spike with high mortality due to the collapse of the health system. Food insecurity soars with more people facing IPC phase 3 and above (Crisis and Emergency).

Geographic areas of most concern

Conflict is widespread. COVID-19 cases are reported from most governorates. Economic deterioration impacts the whole country.

Impact

Widespread conflict drives a large increase in displacement throughout Yemen and a reduction in commercial transport. This results in shortages of goods in many markets. Oil exports reduce; combined with exhaustion of the Saudi deposit, severely reduced remittances, and drop in humanitarian funds, this causes the value of the Riyal to fall dramatically, fueling inflation. The difference in USD/YER exchange rate between the north and south increases. Fuel imports reduce, disrupting hospitals, the distribution of goods and water and sanitation networks. The combination of political, economic, and humanitarian crises fuels the spread of COVID-19 and health centres are overwhelmed. Mortality rates rise rapidly due to conflict, COVID-19, and other illnesses. Intense military activity increases child recruitment. Attacks on humanitarian aid workers increase, and most cease operations entirely.

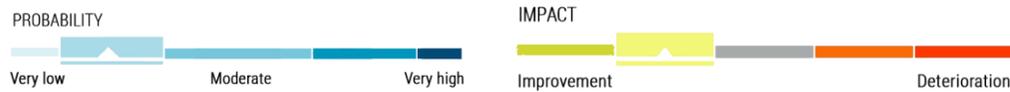
Humanitarian consequences

Humanitarian needs reach unprecedented severity. Conflict related civilian fatalities are high and displacement increases, putting additional pressure on already displaced people and host communities. Disruption and lack of access to WASH facilities contributes to the spread of COVID-19 and the outbreak of other diseases. Overall protection concerns are high: generalised violence affects both men and women, child recruitment increases. Protection issues grow with increased negative coping mechanisms including GBV, early marriage, and child labour. Food insecurity spreads further and becomes more severe, with pockets of famine-like conditions. Migrants and refugees are forcibly deported to frontlines or detained without basic necessities.

Operational constraints

Humanitarian space is reduced, many operations completely shut down, and attacks against humanitarians, especially in the north, become common.

4. Fragile ceasefire sets the foundation for a slow recovery and improved response to COVID-19



A ceasefire agreement as a result of positive dialogue leads to conflict de-escalation, though the political process is slow to restart. Tribal leaders are included in the agreement and contribute to maintain stability. Communication between different local/central authorities increases, improving the collaborative effort to deal with COVID-19. Dialogue between health officials and emergency groups in Houthi and GoY controlled areas allows for greater humanitarian access and leads to the implementation of a more adequate response. The population recovers some trust and responds better to mitigating measures. Reported cases of COVID-19 start to decrease. Currency stabilises after Saudi Arabia deposits additional funds to the Central Bank of Yemen – Aden, remittance flows increase and oil production and exports resume. The Central Banks of Aden and Sana'a come to an agreement. Shipments to Yemen increase. International banks resume their working relationship with Yemeni banks, easing shortages of foreign currency.

Possible triggers/assumptions

Political

- Riyadh agreement implemented
- Positive dialogue between Houthis & GoY
- Positive dialogue between Houthis and KSA

Economic

- Significant deposit to CBY
- Remittances increase
- KSA economy improves
- Increased port operations

Health

- Increased international aid for health services
- Increased support from international and regional actors to curb COVID-19

Estimated additional caseload

This scenario pictures an improved situation with no additional humanitarian caseload. The population slowly recovers.

Geographic areas of most concern

Improvement is felt countrywide, although it will take more time to previous hard-to-reach areas. Needs response shifts as displaced people return to their places of origin.

Impact

While the national conflict largely ceases, local conflicts around housing, land, and property rights and access to water continue, and increase in some areas. Greater currency exchange stability, increased imports, and reduced domestic transport costs increase availability of affordable goods, increasing purchasing power and access to commodities and services. Most state salaries are paid, and small-scale traders see a gradual increase in turnover and profit. Fatalities and displacement reduce significantly. Significant international funding and the import of much needed medical equipment and personal protective equipment enables the health system to improve care for patients with COVID-19 and other patients. Increased awareness of, and adherence to, COVID-19 containment measures by the general population begin to limit its spread, reduce morbidity and mortality, and enable humanitarian programming. Food security begins to improve and employment increases. Schools restart across much of the country. Many locally displaced people return once confidence in the ceasefire builds. Refugee returns are slower.

Humanitarian consequences

Humanitarian needs initially remain high, after nearly six years of war and disruption of basic services. Recovery is slow, hampered by many local disputes over housing, land and property (HLP) rights. Despite the stabilising economy and increasing opportunities for employment, food security needs remain a priority. Increased availability and affordability of fuel permits movement, increases access to clean water, and enables livelihoods recovery. Increasing numbers of IDP returnees require assistance at their places of return. While the health sector receives significant investment, shelter, food, WASH, and education are the main priorities for assistance. Support to conflict resolution, disarmament, demobilisation, and reintegration (DDR), and peacebuilding activities are also required. Protection concerns, specifically for marginalised groups, the elderly, and disabled people remain high.

Operational constraints

Humanitarian access slowly improves, enabling increased response.

Compounding factors

The following developments can occur in parallel to any of the above scenarios and have the potential to significantly change the humanitarian situation.

1. Disease outbreak

Waterborne diseases, combined with displacement, reduced access to water and health services, and poor hygiene practice significantly increase the probability of a major disease outbreak. Authorities would struggle to contain this, especially under Scenario 1 (increased COVID-19 cases, decreased conflict) and 4 (health collapse, economic decline, increased violence). Cholera and acute watery diarrhea (AWD) are ever-present in Yemen. An outbreak in 2017 saw more than 1.3 million people infected and over 2,800 die. In 2019, suspected cholera/AWD cases in Yemen increased by 132 per cent compared to 2018. Diphtheria, measles, and dengue fever are also endemic. A sharp decline in coverage of measles and rubella vaccination poses a substantial threat to people's health (UNICEF 2019; Hadramawt University 08/10/2018). Many people affected by disease avoid seeking healthcare for fear of catching COVID-19, making tracking and tracing of cases and deaths difficult.

2. Natural disasters

Yemen is prone to earthquakes, flash floods, floods (coastal storm surge and tsunami), landslides, rockslides, and volcanoes. The World Bank reports that at least one disaster strikes the country every year. In 2019, at least 130,000 people were affected by flooding between June and August, and at least 17,000 in September and October. (ACAPS 23/04/2020) In 2020, heavy rains and flash floods until mid-July killed 170 people, affected at least 300,000 people, and severely damaged hundreds of homes and public infrastructure across Yemen (OCHA 21/08/2020; Al Jazeera 12/08/2020). A tributary to Marib dam flooded severely destroying nearby makeshift homes of IDPs.

3. Reduction in funding

The pledging conference hosted virtually by Saudi Arabia on 2 June 2020 in support of the Yemen response fell short with a total of USD 1.35 billion - approximately half of the amount pledged in 2019 - to cover USD 2.4 billion requested by humanitarian agencies in Yemen. In comparison to the same time last year, this is a halving of donor contributions (OCHA 19/08/2020). Funding shortfalls come against the backdrop of re-escalating conflict, severe flooding, and a COVID-19 outbreak. Only USD 650 million of the 1.35 billion pledged was received by the end of July, hampering the humanitarian response. The funding shortfall significantly reduced humanitarian activities and will have a negative effect on already vulnerable Yemenis. Humanitarian funding, along with

the Saudi financial support, remittances and oil exports are the major providers of foreign currency in Yemen. A shortfall in all of these will result in an unfavourable exchange rate, which causes high prices and inflation. This compounding factor is likely to trigger or exacerbate the situation in Scenario 1 and 3, which both see a deterioration of the economy.

4. Water scarcity

The water availability in Yemen is 150 cubic metres per person per year (average of 1,250 cubic metres for MENA). All surface water and groundwater resources are exploited beyond the level of recharge. The agriculture industry uses 93 per cent of Yemen's potable water and does not actively encourage sustainable water saving techniques. Qat cultivation uses 40 per cent of potable water. Much of the country's 68 billion cubic metres of annual rainwater is wasted due to mismanagement and inadequate dams. Swift adoption of more sustainable water management policies should be prioritised immediately, irrespective of the status of the conflict. Amid the outbreak of COVID-19 in Yemen, water scarcity significantly reduces the possibility to enact necessary preventive measures and increases the risk of the virus spreading further. In Yemen, lack of access to water and sanitation is a key contributor to GBV as women spend more time travelling long distances to collect water they are exposed to threats for a longer period of time (Wilson Centre 20/08/2020).

5. SAFER Oil spill

The floating storage and offloading (FSO) terminal SAFER, a previously converted oil tanker, is moored in the Red Sea off the coast of Ras Issa, 50km northwest of Al Hodeidah port. The vessel contains an estimated 1.14 million barrels of crude oil. If an oil spill or an explosion occur, the environmental impact will be catastrophic, damaging all fisheries along Yemen's Red Sea coast. Livelihoods will be highly impacted. 500,000 people who work in fishing and the seafood industry, and 1.7 million dependents will likely need food aid. Al Hodeidah port could close for five or six months, triggering a four-fold increase in fuel prices. Food prices would likely double making more Yemenis reliant on humanitarian aid (Catapult/ACAPS 30/06/2020).

6. Regulatory constraints

New sanctions, additional terrorist listings against the Houthis or other parties to the conflict, or further de-risking by the international banking sector will hamper humanitarian operations under any scenario. De-risking by the international community in 2010 cut off Yemeni banks from foreign exchange and introduced imbalances which continue to wreak havoc on prices in Yemen today. If the US lists the entire Houthi movement as a terrorist organisation (currently only its leaders are listed) or expands

sanctions, humanitarian actors and traders will face additional challenges moving money and goods into Yemen.

7. Global Covid-19 impact on economy

As of 16 August, over 21.2 million cases of COVID-19 with more than 760,000 deaths have been confirmed worldwide (WHO 16/08/2020). The majority of countries continue implementing social and health measures including physical distancing, lockdowns, and suspension of social and economic activities. The COVID-19 pandemic is far more than a health crisis: it is affecting societies and economies at their core and most likely will increase poverty and inequalities at a global scale. (UNDP Socio Economic Impact). The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. As the health and human toll grows, the economic damage is already evident and represents the largest economic shock the world has experienced in decades (World Bank 08/06/2020). The World Bank forecasts a 5.2 per cent contraction in global GDP in 2020, the deepest global recession in decades. This will reduce aid funding from developed countries as they struggle to fill the economic gap created by the pandemic. The World Bank forecasts a 20 per cent decline of remittance flows to low- and middle-income countries due to the socioeconomic repercussions of the pandemic. This will have a significant impact on Yemen as its economy is heavily reliant on remittances and foreign aid.

Current situation

Conflict and security

Large scale conflict between Ansar Allah (commonly known as the Houthis) and the Internationally Recognised Government backed by Saudi Arabia and the UAE since 2015 has made 80 per cent of Yemen's population reliant on humanitarian aid.

After more than five years of conflict, the fragmentation of the country and the complexity of the war is increasing. Yemen has split into multiple geographical regions, with the Houthis controlling the majority of the north and the UAE-backed Southern Transitional Council (STC) and the internationally-backed and recognised Yemeni government (GoY) competing for control in the south. Local governors, tribal leaders and militias are exerting increasing control in many areas, particularly in the south and east.

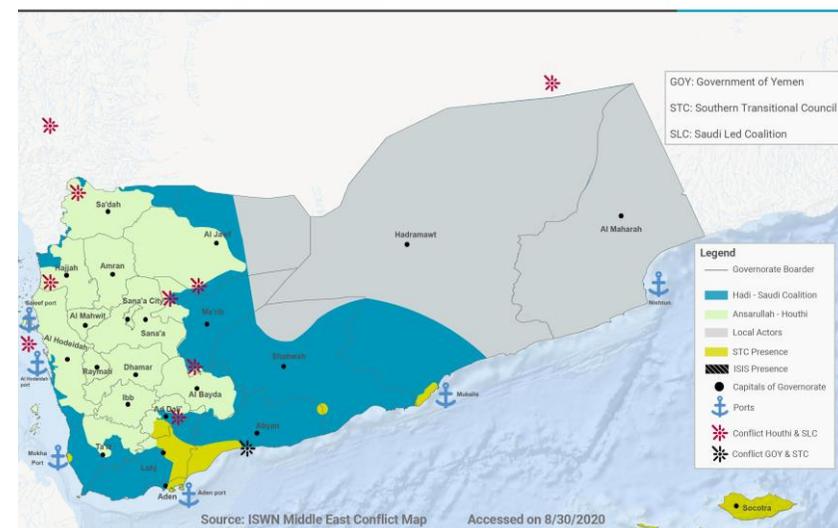
Despite a reduction in conflict related casualties and displacement in 2019, conflict re-escalated in 2020, opening seven new frontlines along the border of Marib, Sana'a, and Al Jawf governorates bringing the total number of frontlines to 42. Conflict between the

Houthis and GoY forces in Marib threatens large scale displacement and could damage major oil fields, triggering a major environmental and economic disaster (ACAPS 2/04/2020, ACAPS 13/05/2020, ACAPS 25/08/2020).

The conflict re-opened historic tensions between the 'north' and 'south' (dating back to Yemen's 1994 civil war). The uneasy coalition loyal to the officially recognised GoY began to break down in 2018 and by August 2019 the STC were in direct conflict with GoY forces in Aden (the interim capital of Yemen). The Riyadh Agreement was signed in November 2019 to end the fighting, but implementation has stalled. In April, the STC declared self-rule in Aden leading to an escalation of fighting in Abyan governorate. The deterioration of public institutions and poor management of the COVID-19 outbreak has led to civil unrest in Aden since May. In June, the STC seized control of the island of Socotra from GoY forces. On 26 August, the STC announced that it was suspending engagement on talks concerning the implementation of the Riyadh Agreement due to disagreement about the redeployment of forces from Abyan and Aden and the appointment of a new cabinet (Al Jazeera 29/07/2020, ACAPS discussions with operational actors 31/08/2020).

Al Qaeda has been present in Yemen since the mid-2000s. In 2015 it took advantage of the conflict and briefly seized Al Mukallah in Hadramawt before being pushed out by local forces. ISIS also has a presence in Yemen but has largely focused on competing with AQAP. AQAP activity has been increasing in the last months, with militants claiming responsibility for the execution of at least six people in central Yemen's al Bayda governorate in August (Critical Threat 28/08/2020).

Yemen: Areas of control & active conflict as of 30th August 2020



Governance and Rule of Law

The current conflict has fractured Yemen along regional lines. Former President Saleh's oil-funded, patronage networks are unravelling and reforming along new lines. Local elites in Al Maharah, Hadramawt, Al Jawf and Marib (all sparsely populated, but large and rich in resources) primarily govern according to local priorities. Little, if any, of Marib's gas, or Shabwah and Hadramawt's oil, ends up in the GoY treasury. Local tribes in Amran, Al Jawf, Al Dali', Abyan and Al Bayda often play a leading role in mediating disputes and supporting people in need. However, traditional tribal leaders are being replaced by a myriad of new sheikhs on the payroll of foreign countries. International actors (particularly Saudi Arabia and the UAE) have funded a wide network of local proxy forces in the south. Humanitarians, civilians, and traders have to negotiate access through multiple checkpoints manned by militias that do not respond to the GoY.

Economy

Yemen has historically been one of the poorest countries in the Middle East. An estimated 78 per cent of Yemenis were living below the national poverty line in 2016 (up from 34 per cent in 2005). Yemen is highly dependent on revenues from its relatively small oil and gas reserves, remittances from expatriates working mainly in the Gulf states, and bi-lateral support from Saudi Arabia. Yemen is also heavily dependent on imports for more than 90 per cent of its key commodities, with the majority coming in through the Red Sea ports of Al Hodeidah and Saleef as well as Aden Port. Both the Red Sea Ports and Aden Port are vulnerable to conflict related interruptions that cause shortages in fuel and push up prices.

The Yemeni Riyal has reduced to a third of its value in the past five years, dropping from a little over YER 200 to the USD pre-conflict to around YER 601 – 758 as of July 2020. The crash in oil prices and global spread of COVID-19 has reduced Yemeni income from oil exports and severely reduced remittances leaving direct support as Yemen's economic lifeline. Saudi Arabia provided a USD 2 billion deposit to the GoY in March 2018 to help stabilise currency and food prices. This funding is near depletion, with USD 170 million remaining in August 2020 (ACAPS discussions with operational actors 30/08/2020).

Economic competition between parties to the conflict to control hard currency (mainly aid and remittances) is a key driver of price fluctuations, particularly in fuel markets, and could spark future price rises if not handled carefully. Because Yemen is so highly dependent on imports, any depreciation in the value of the Yemeni Riyal is reflected almost directly in higher prices for consumers. Fuel shortages regularly spark protests and imports are subject to high levels of government intervention (ACAPS 25/09/2019; World Bank 10/08/2020).

Service provision

Fuel shortages, sporadic payment of public sector salaries, and conflict related damage to infrastructure have degraded Yemen's infrastructure and social services. An estimated 20.5 million people are without access to safe water and sanitation (up from 13 million in 2014), and 17.9 million lack access to adequate healthcare (8.6 million in 2014). Only 51 per cent of health facilities are functioning due to staff shortages and lack of medicines. Cases of communicable diseases such as cholera, diphtheria, measles, dengue, and chicken pox have re-emerged in Yemen since 2015. An estimated 5.5 million children are in need of education assistance and access to safe learning spaces (HRP extension 2020).

Livelihoods and food insecurity

Since 2015, the cost of living in Yemen has doubled while jobs have nearly halved. The latest IPC food security analysis reports that between July and December 2020, 3.2 million people will face IPC 3 level (Crisis) and above if humanitarian food assistance is kept at the same levels. Around 3.2 million people require treatment from acute malnutrition, including 2 million children below the age of five. As of the first week of June, the cost of the minimum food basket at the national level was 20 per cent higher relative to December 2019 (IPC 22/07/2020). Many Yemenis are employed in agriculture or low skilled work in the informal sector (68 per cent of non-agricultural workers). Government salaries were a major source of income for almost a third of Yemeni workers pre-conflict, but few government officials have been paid consistently since 2015. Female labour force participation is among the lowest in the world (6 per cent in 2014). Remittances play an important role in Yemen as almost 80 per cent of the population in Yemen rely on them as source of income. Despite some local supply chain disruptions, available evidence indicates that COVID-19 movement restrictions have not meaningfully affected food availability, and food prices increases since the start of 2020 are mainly attributable to the effects of the depreciation of the currency (WFP 10/08/2020).

Protection

Yemen is facing a severe protection crisis, and civilians face serious risks to their safety, well-being, and basic rights. Men face higher risks of being forcibly deported or detained; women report harassment if they travel without a guardian. Girls are increasingly being married off as a coping mechanism for their families (Girls Not Brides 2019). Children are being subjected to recruitment and labour. Northerners face particular risks at checkpoints, as they report harassment if they leave Houthi controlled areas for work, to collect salaries, or to visit relatives. (ACAPS 25/09/2019). Journalists have been arrested and intimidated by all sides of the conflict. Protection concerns are also high in relation to migrants and refugees. Acts of xenophobia and discrimination, as well

as forced deportation and detention have been increasing. Migrants are blamed as carriers of COVID-19 and this challenges their access to basic services, including healthcare. Fear of stigma in relation to COVID-19 also prevents Yemenis from seeking treatment (IOM 17/08/2020).

Displacement

Nearly 4 million people are displaced in Yemen, the majority in Marib, Ta'iz, Hajjah and Al Hodeidah (IOM 23/08/2020; UNHCR 11/10/2019). Conflict has traditionally been the main driver of displacement in Yemen. However, COVID-19 and flooding are increasingly causing displacement in 2020. Between March and August 2020, close to 10,000 people cited fear of becoming infected with COVID-19 as the main reason for their displacement (IOM 17/08/2020). An estimated 300,000 people were displaced between June to August 2020 due to heavy rain and flash floods (UNCHR 27/08/2020). In July, a tributary to the Marib Dam flooded, affecting shelters and livelihoods for many displaced people. Yemeni communities have traditionally been good at supporting displaced people. However, as the conflict drags on into its sixth year, people are tapping out their local support networks and more people are being forced to seek shelter in informal settlements (ACAPS 13/05/20).

Humanitarian access

Humanitarian access is deteriorating across Yemen driven predominantly by conflict and bureaucratic impediments accompanied by COVID-19 preventive measures. Permits for visas, movement outside of cities and for project approvals have hampered humanitarian activities. Interference is particularly high in Houthi controlled areas. COVID-19 measures adopted by the authorities have led to operational constraints in the north and south of Yemen, with restrictions imposed on the movement of cargo by air, land, and sea. Flight suspensions and closure of international airports have prevented humanitarian staff from entering or leaving Yemen.

The authorities imposed severe restrictions on assessment and data collection, particularly in Houthi controlled areas, making it harder for aid agencies to understand needs. Instances of interference in aid operations increased ten times in 2019 compared to 2018 and violence against humanitarian assets and facilities increased sharply, mainly around frontlines (OCHA 15/05/2020; HRP 2020).