# STC & Political Context Update

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e**ss**en nalysis Team April 2021

YCSP | YEMEN CONFLICT SENSITIVITY PLATFORM

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#### Summary

This paper updates the June 2019 analysis "*STC declaration of 'self-administration' and ramifications for humanitarian actors*". The update follows the expansion of the Internationally Recognised Government (IRG) to include representatives of the Southern Transitional Council (STC), the return of the IRG cabinet to Aden, a de-escalation of violence in Abyan, and a deterioration of the national economy resulting from the COVID-19 (C-19) pandemic. This paper examines: (1) how relationships and competition between political groups in the south<sup>1</sup> have developed given these events and (2) the impact of political dynamics on Yemenis, the potential for peace, and the aid environment.

### **Context since June 2020**

The initial analysis was written following the STC declaration of self-administration, to better understand its implications for service delivery and humanitarian aid. While the STC abandoned its declaration of self-administration in July 2020 – following concessions from the IRG and Kingdom of Saudi Arabia (KSA)<sup>2</sup> – the STC and IRG remained gridlocked in negotiations on the distribution of ministerial positions and security measures until December 10. The resultant agreement saw the number of cabinet seats reduced from 34 to 24 following the consolidation of ministerial portfolios.<sup>3</sup> Islah and the STC were allocated five seats each, the General People's Congress (GPC) retained four seats, and the Socialist Party obtained two seats. The Nasserist Party, al-Rashad Union party, Hadramawt Inclusive Conference, and pro-IRG Southern National Council were allocated one seat each, while President Abdrabbuh Mansour Hadi personally appointed the ministers of defence, interior, finance, and foreign affairs. Hadi's office announced the new government on December 16, and the government was sworn in on December 26.

Local and international actors subsequently released congratulatory statements welcoming the formation of the new government with two caveats. Firstly, there was substantial anger over the absence of women in the new government among women's rights groups and prominent female figures within Yemen, as well as from a broader range of Yemeni and international actors.<sup>4</sup> Secondly, the lack of representation of the Tehama region, and west coast actors in general, was also condemned by some activists.<sup>5</sup> In parallel with the political agreement, progress was made on security issues in both Abyan and Aden. STC and IRG forces in Abyan withdrew to pre-agreed positions, with a Saudi committee overseeing the withdrawal and the Giants Brigade installed as a peacekeeping force. On December 30, multiple explosions rocked the airport in the southern port city of Aden shortly after the newly established government landed, resulting in 25 deaths and 50 injuries, including the deaths of two national and one international ICRC staff members.

The explosions created a tense situation for the new government. One day after the attack, the new Yemeni cabinet held their first meeting in Aden in an apparent bid to project unity. While IRG figures

<sup>&</sup>lt;sup>1</sup> This report uses "the south" as shorthand for the areas of Yemen outside of Ansar Allah control, including the "liberated" areas. In this sense "the south" is not congruous with either the cultural south or the geographic boundaries of the former People's Democratic Republic of Yemen.

<sup>&</sup>lt;sup>2</sup> A key concession was the appointment of a pro-STC official as governor of Aden.

<sup>&</sup>lt;sup>3</sup> For example, the Ministries of Information, Tourism, and Culture were merged.

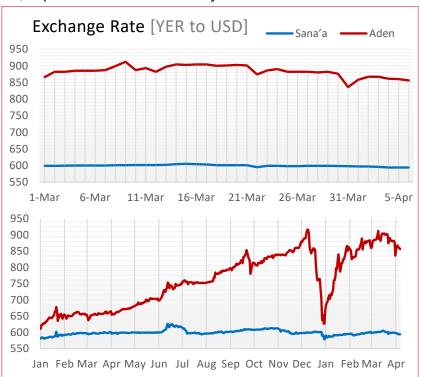
<sup>&</sup>lt;sup>4</sup> Three public letters demanding the inclusion of women in the new government were sent to President Hadi, the IRG and established political parties, and the STC.

<sup>&</sup>lt;sup>5</sup> For example, GPC members from the branch of the party that favours the Saleh family rather than Hadi. This has likely been a factor in increasingly robust efforts by forces affiliated with Tareq Saleh on the west coast to seek administrative and security autonomy, as well as political recognition.

blamed the De facto authority (Dfa) in Sana'a, some political groups accused each other of playing a role in the attack. These tensions have manifested in the form of political manoeuvring within the new government, the use of security forces to intimidate political opponents (e.g., by entering government building), and ongoing economic competition over sources of revenue (e.g., over control of the new port in Shabwah). This internal political, security, and economic contest has been exacerbated by high profile pro-independence gestures by the STC. For example, STC Minister of Fisheries Salem al-Soqotri was pictured with a southern flag following his appointment, drawing condemnation from Islah.<sup>6</sup> Perhaps most importantly, an STC delegation visited Moscow, a provocative move given the historical ties between the former-USSR and the pre-unification People's Democratic Republic of Yemen. Meanwhile, Hadi- and Islah-aligned factions continue to be preoccupied with fighting in Marib governorate, where Dfa military forces are carrying out a major offensive towards Marib city.

The initial 2020 STC declaration of self-administration was precipitated by the global C-19 pandemic, with the STC claiming that such a move was required due to the IRG's perceived inability to manage the dual challenges of C-19 and delivery of critical services. Perhaps the biggest impact of the C-19 pandemic was a substantial economic contraction throughout 2020, driven by a reduction in remittances, an increase in the cost of imports, and the impact of social distancing on local economic activity.<sup>7</sup> As of March 2021, hoped-for economic recovery has not materialised. Towards

the end of December 2020, the Yemen rival (YER) depreciated significantly in IRG-controlled areas, falling to 916 YER to the US dollar before beginning to following recover the announcement of the new government in Aden (see graph 1). The currency again fell to approximately 900 YER to the US dollar by the end of February 2021. The initial improvement in currency value was primarily due to the market responding with renewed confidence following the formation of the unity government, than rather sustainable improvements in supply market for foreign exchange.

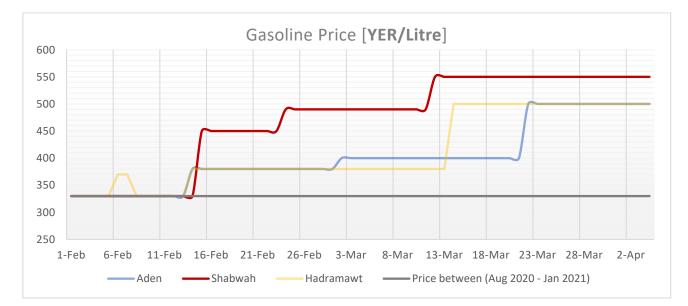


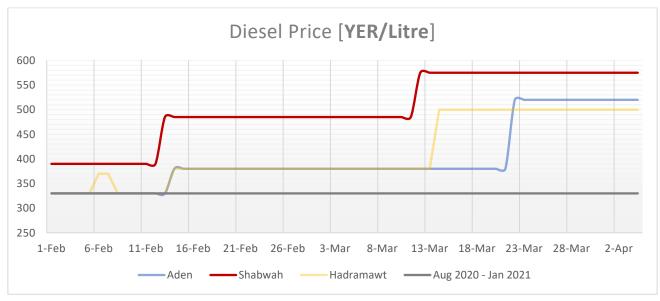
The currency crisis has become intertwined with a fuel crisis, with intermittent fuel supplies causing shortages across swathes of the country. Fuel and electricity shortages have provoked public rage in a range of governorates since November 2020, reaching their height during the March protests and the "storming" of Mashiq palace in Aden. Despite limited options to deal with the issue, the IRG has attempted some changes, as well as continuing to advocate for support from KSA. On January 6, 2021, the CBY-Aden declared that the distribution of oil derivatives will be completely restricted to

<sup>&</sup>lt;sup>6</sup> The flag controversy was contained after the government was sworn in front of a Republic of Yemen flag.

<sup>&</sup>lt;sup>7</sup> Remittances were estimated to have dropped by as much as 80 percent during certain periods in 2020, notably from April to June due to COVID-19 related lockdowns in KSA and a significant drop in global oil prices from March 2020 onwards.

the Yemeni Petroleum Company (YPC) and accordingly importers should sell all imported quantities to the company.<sup>8</sup> On February 10, the minister of finance and minister of electricity and energy agreed on measures to improve the fuel supply, including the implementation of a transparency mechanism for fuel imports, activation of a Fuel Tender Committee, and payment of recent Electricity Corporation dues to fuel importers. These efforts were followed by two rounds of official fuel price increases by the YPC on March 2 and 7, which differed across IRG-controlled governorates (see graph 2) and were rationalized based on a depreciation of the currency and an increase of fuel prices globally. The embarrassing optics of the Mashiq storming likely spurred KSA to announce a major 422 million USD fuel import subsidy scheme towards electricity supply at the beginning of April.





<sup>&</sup>lt;sup>8</sup> The bank indicated that it will only conduct disbursement operations for the company and will make external transfers for oil derivatives importers at the company's request. It further stressed that any import operations of oil derivatives to IRG-controlled areas that violate this mechanism, and its additional procedures, will not be authorised.

## Timeline

The following table captures key events following the STC declaration of self-administration.

14 July	Negotiations in Riyadh put on hold
18 July	Protests organised in al-Mukalla city by STC affiliates in support of the STC declaration of self-administration
29 July	STC renounces declaration of self-administration
-	KSA announces a new plan to accelerate the implementation of the Riyadh Agreement
-	Hadi appoints a new governor and police director for Aden
14 August	KSA Ambassador announces that the coalition committee in Aden had begun work to demilitarise Aden and Abyan
25 August	STC withdraw participation from Riyadh Agreement
31 August	STC resume participation in Riyadh Agreement after meeting with KSA Ambassador and Yemeni Prime Minister Maeen Abdulmalik
01 October	Protest in Ataq, Shabwa, calling for Shabwanis to be prioritised for oil sector jobs
10 November	Protests in Al-Mukalla over power outages
10 December	KSA announces the commencement of implementation of the Riyadh agreement
11 December	STC and IRG forces begin withdrawing from positions in Abyan, and the Giants Brigade arrive in a peacekeeping capacity
16 December	Hadi announces formation of the new Yemeni Government
30 December	Several explosions target the newly formed government on arrival at Aden airport
13 January	Qena port in Shabwah is officially opened for fuel exportation
7 February	Southern separatist armed groups affiliated with the STC storm three ministries in Aden
2 March	YPC official fuel price increase
7 March	YPC official fuel price increase
-	Public protests against price increases
16 March	Protesters break into Ma'ashik presidential palace demanding better services and salary payments
18 March	STC Minister of Civil Services and Social Security survives an assassination attempt in Aden
30 March	KSA announced a 422 million USD grant to support Electricity stations in Yemen

# Analysis

#### Relationships and competition between political groups

**Political conflict between government factions.** Since 2017, the STC has presented a challenge to the IRG's legitimacy in southern Yemen, and indeed to the very concept of a national government. The absorption of the STC into the government has reframed the political conflict from an STC challenge to IRG authority, to a conflict between political forces (Islah, STC, GPC, Socialist Party, Nasserist Party, and Hadi's supporters) inside the government. Two critical issues remain unresolved between the STC and the other components of the IRG. Firstly, the STC maintains its goal of an independent state in the south, a goal that threatens the very sustainability of the IRG. It has publicly promoted this goal, as demonstrated by the regular use of the southern flag and the visit to Moscow. Secondly, the nexus between Islah, the STC, and Hadi is volatile and could deteriorate rapidly. STC leaders accuse Islah of supporting terrorism and of representing a threat to Yemenis in the south. Hadi has fought to keep Islah inside the government in recent years, as Islah ensures government support from critical tribal and military structures in the country. These rifts are apparent in reporting by Islah- and STC-aligned media outlets, which continue to target each other, contrasting KSA-aligned media positivity covering the new government's formation.

Race to control state agencies and institutions focusing on the judiciary and police. While the new IRG has publicly demonstrated a united front, its formation signalled the start of an internal race for control of state agencies and institutions. Part of this race is subtle, with attempts to manoeuvre key supporters into positions of power. Part of this race is less so, involving the use of armed groups to occupy government offices or threaten and intimidate officials. Most visibly, on February 7, southern fighters affiliated with the STC closed the Foreign Affairs, Education, and Justice Ministries in Aden. It is not yet clear why the ministries were targeted, but the incident raised concerns about the internal unity of the IRG. Intra-government manoeuvring between the STC and other political forces is most apparent in the security and justice sector. For example, the STC rejected Hadi's appointment of ex-Prime Minister Ahmed bin Dagher as president of the Shura Council, given accusations of corruption and the widely shared view that Dagher is opposed to the STC, and Ahmed al-Musai as General Attorney, given his position as head of logistics for the police. The end result was a power struggle over the judiciary in Aden, with a group of southern judges filing a motion challenging the legality of bin Dagher's appointment, a strike by STC-aligned judges, and attacks on seven judges in one week. Aden's police shut down the courts in response to these attacks. Similarly, the appointment of Aden's Police Director was a source of tension for most of 2020, with two candidates vying for the position: the STC-aligned former Police Director Shalal Shae and Hadisupported Ahmed al-Hamidi. The IRG and STC both conceded at the eleventh hour by appointing Shae as military attaché to the UAE and Mutahar al-Shuaibi, a technocrat officer with no clear political allegiance, as police director.

**Potential for competition between ministries over authority and funding.** There is also significant risk of competition between newly appointed ministers from different political groupings over both the authority of their ministry and the funding associated with that authority. For example, the Islahaligned minister of health may compete with the STC-aligned minister of planning and international cooperation for control of COVID-19-related aid. Similarly, the Hadi-aligned minister of interior may compete with the minister of planning over the authority to grant travel approval for expatriates entering the country and travelling between southern governorates.

**Parallel revenue collection**. The 2020 report highlighted the trend of competition over revenue collection between southern political groupings. This trend has continued despite the formation of a new government, with the STC continuing to levy taxes locally in parallel with formal state taxes.

This problem is most evident in Aden port but also plagues transportation companies and haulers who are faced with multiple points of taxation. The opening of the Qina port in Shabwah has provided a new focus for competition over revenue collection, this time including Islah. Governor Muhammad Saleh bin Adeo, who is affiliated with Islah, opened the port to boost fuel exports in the governorate. However, STC Minister of Transportation Abdulsalam Humaid refused to issue an official license for the port, and Prime Minister Maeen Abdulmalik ordered work on the port to be stopped. The governor was summoned to Riyadh and later met with Hadi, who reiterated support for the port. Shabwah is currently the only governorate exporting fuel internationally and retains a share of oil revenues in the CBY-Shabwah. The STC views fuel production in Shabwah as essential for the creation of an independent state, hence their manoeuvring to ensure that revenues are not controlled by Islah. The prime minister on the other hand is likely trying to ensure that state revenues are collected in a centralized manner through CBY-Aden before being redistributed throughout the country. A less tangible and highly localised arena for competition centers on land ownership, with scarce revenues and frozen military salaries leading armed groups, on both sides, to jostle for control over illegally confiscated land, as well as local protection rackets.

**Tensions between central IRG authorities versus governorate-level authorities continue over public finances and services.** One of the biggest challenges facing the revised IRG is pressure from the governorates for greater investments in public services and local control of public resources, especially from oil-producing and exporting areas such as Marib, Shabwa, and Hadramout. This pressure has manifested in, *inter alia*, Hadramout's governor threatening to stop oil exports if the IRG fails to pay for better electricity provision in the governorate. The leaders in these governorates have had a good deal of success in pressuring the IRG into ceding control of public finances. For example, the Islah governor of Marib has agreed with the IRG that public revenues will be deposited locally rather than in CBY-Aden.<sup>9</sup> Shabwah, Hadramawt, and Marib have also agreed with the IRG that they will keep a portion of fuel revenues to fund local development projects. Fuel and energy supplies are significant service areas that drive local political instability, with political groupings looking to use them to leverage public support vis-à-vis the IRG. For example, STC affiliates have mobilised public protests against the IRG in Hadramout over fuel supply issues, while Islah have received public backing in the stand-off with the IRG over control of oil revenues.

**Pressure on STC from wider secessionist movement.** The STC was the largest secessionist political group prior to entering government, primarily due to the UAE's financial support and training for STC-aligned armed groups. While its participation in government has further solidified its position, this has come at the expense of criticism and opposition from other southern secessionist groups. For example, the Hirak Revolutionary Movement is attempting to mobilise support by brandingthe STC as "traitors" for negotiating a power-sharing deal with the IRG and the Saudi-led Coalition. The leader of the Hirak Revolutionary Movement, Fadi Baoum, called the new government an agreement between the coalition factions that had "no relevance" to the south. On social media and in public statements, influential individuals within other southern movements, many of whom are founders of the Hirak movement, have reasserted their commitment to southern independence and accused the STC of abandoning the cause in order to gain power. This pressure drove STC President Aidarous al-Zubaidi to publicly declare southern independence as his group's continued priority on January 7, and that the creation of two states is "the only way to achieve peace in the region".<sup>10</sup> It has also led

<sup>&</sup>lt;sup>9</sup> Northern civil servants could not travel south for payments because they faced harassment from southern separatists, and because it is too dangerous to ferry trucks of cash between Marib and Aden. The deal requires that it only spends its allocation in the last budget to be ratified by parliament in 2014.

<sup>&</sup>lt;sup>10</sup> Interview with Sky News Arabia, <u>https://youtu.be/XcoCwFrwr58</u>.

to attempts to gain legitimacy and assume leadership among the wider southern secessionist movement through the Southern Arabian League party.

**Possibility of internal pressure and fragmentation in the STC, focused on political position and income.** The STC is not highly centralised, partly due to ongoing financial difficulties. Internal STC institutional incoherence has trickled down to aligned armed groups, most evidently through a multiplication of local revenue collection initiatives by such groups. This is especially the case in the context of the freezing of many military salaries by KSA during the implementation of the Riyadh Agreement. In instances where the STC enforces revenue collection, it is difficult to determine whether these directives are from the STC central command or merely imposed by individual commanders and stakeholders. There is an emerging trend of traders and truck drivers being taxed by different entities within the STC, and oftentimes on separate occasions. Such incidents will likely increase with the continuation of delays in the payment of salaries to military and security personnel. Moreover, if the STC were to make their informal revenue collection official and more centralised, this would likely cause internal rifts, as individual commanders may become angered by no longer benefiting from informal tax collection.

#### Impact on Yemenis, the potential for violence and the aid environment

**Continuation of patronage and corruption.** Despite the opportunity to unite in the face of the Aden airport attack, in addition to wide-ranging support from governors in non-Dfa areas, a common criticism is that the same patronage system which plagued the previous government lingers. This has led many to believe that the new government will exhibit similar levels of corruption. There is both political and public pressure to curb corruption. Politically, the new government's finances are under intense scrutiny from KSA, especially after the initial UN Panel of Experts Report accused the IRG Central Bank of money laundering in its use of a 2 billion USD grant from KSA.<sup>11</sup> Moreover, there is significant pressure from international donors to tackle institutional corruption. Publicly, if corruption within the clientelist system is blatant and widely reported upon, this could foment widespread discontent, potentially invigorating protests and even alternative secessionist or unionist movements. However, there are also few incentives among political parties to curb local corruption and taxation schemes (e.g., by STC-aligned armed groups), as doing so would potentially lead to conflict between the central leadership and local representatives, and the loss of important support constituencies.

**Cost of transportation and basic goods.** 2020 has seen an increase in the price of basic goods, especially foodstuffs, with this cost increasing in relation to distance from the point of import due to high transportation costs. Increases in fuel prices on March 2 and 7 were immediately reflected in transportation costs, which increased by 50 percent in Aden and from 33 percent to 100 percent, depending on distance, in Abyan. On March 7, Lamlas released a circular setting fixed prices for transportation costs that reflect about a 50 percent increase from the initial price. Nevertheless, the Yemeni public will continue to suffer from potential volatility in transport prices, unless the IRG can implement sustainable measures to lower them.

**Difficult policy decisions and public pressure**. Throughout 2020, public protests were held against the national government, governorate administrations, and political parties over poor service delivery and delayed salary payments. These protests continued after the formation of the unity government, but with a greater emphasis on currency issues and access to fuel. It is notable that the government is under pressure for its handling of the fuel crisis in the media. This public pressure is the first substantial test of the new government and its ability to make tough decisions on

<sup>&</sup>lt;sup>11</sup> The Panel of Experts has since amended its claims, although major doubts remain about the CBY Letter of Credit policy.

economic issues, which may be unpopular but are nevertheless essential for economic stability. In addition to policy changes, new Letter of Credit (LC) disbursements by the CBY-Aden, or other injections of foreign exchange into the market, will be needed in the coming months to enable a sustained recovery. KSA has made it clear that further economic support to the IRG is conditional on the implementation of the Riyadh Agreement. However, following the protests at Mashik palace, KSA has announced a fuel subsidy scheme to support the IRG, which if implemented effectively, will have a stabilising impact on public anger in the south.

**Risk of a return to violence in Abyan, Shabwa, and other southern hotspots**. Ongoing minor clashes have continued to take place in Shabwa, although Abyan has remained relatively stable. However, the Saudi military committee, which was mandated to supervise the ceasefire in Abyan, withdrew at the end of 2020 after reportedly being targeted in a bombing. In Shabwa, multiple armed groups aligned with either side continue to jostle for influence over key infrastructure, such as the new fuel port in Qana and the LNG facility in Belhaf. Conflict is also possible further west, at tension points marking the territorial control of Tareq Saleh's affiliated forces in Taiz, and Islah affiliated groups in the same area, dynamics that feed into the broader STC-IRG tension. A resurgence of violence in Abyan is still possible despite the arrival of the Giants Brigade and the reported withdrawal of IRG forces from the governorate. If the conflict in Abyan does not re-erupt, both the STC and IRG will continue to mobilise troops from Abyan and Shabwah to the Dfa frontlines in Marib, where the Dfa continues to conduct a major offensive. The success or failure of this offensive is likely being watched closely by the STC, who will potentially use any major IRG setbacks as an opportunity to improve their political, economic, and security position.

**Tensions in Shabwa over control of resources and revenues.** Shabwa is increasingly a focus of tension between political parties in the new government, with a high risk of violence between affiliated forces. In addition to the port issue (see above) tensions have also escalated in Shabwa over control of Liquid Natural Gas (LNG) and related revenue. There has been pressure from the Islah-affiliated governor and student groups to reopen the Belhaf LNG facility, which has served as a UAE military barrack since 2017. This resulted in a war of words between Islah and pro-UAE groups on social and news media. Pro-Islah media and figures accused the UAE of acting in a "colonial manner" by stopping the IRG from exporting LNG, while pro-UAE groups — mainly the STC— said that these calls are part of Islah's attempt to take over Belhaf, outside the control of central authorities. This issue has, in part, fuelled tensions between armed groups in the governorate. On December 14, artillery fire was exchanged between IRG forces and remnants of the UAE-backed Shabwani Elite Forces (SEF) in Belhaf.

**Deepening coordination between aid actors and the STC via informal channels**. Field humanitarian actors have reportedly deepened their ties with STC military figures in locations targeted for humanitarian assistance where the STC is influential, rather than relying on local civilian authorities to facilitate aid. This change was adopted to speed up aid delivery. The STC has not taken steps to formalise these interactions, probably due to the tacit acknowledgement that they lack the capacity and experience to efficiently monitor aid agency operations. The IRG has been hesitant to publicly address these "under-the-table" dealings for fear of drawing attention to their decreased influence over the operational environment for aid. Operations in Aden governorate are more complex, with aid agencies negotiating the coordination expectations of a range of military and security groups. It is expected that these same challenges will persist as the formation of the new government has not altered the influence of political groupings on the ground.

**Improved operational environment for aid actors, with caveats.** All research contacts concur that the new government formation has improved the operational environment for humanitarian actors. It appears that all southern political groups are intent on demonstrating good faith towards aid

agencies, partly in order to encourage a greater aid commitment in IRG areas. Approval for aidrelated matters will likely become more streamlined than before, when humanitarian actors juggled coordination and communication channels between the STC and IRG to ensure that neither party was left out of a process. There are, however, two important caveats. Firstly, competition between ministries for authority and funding could unwittingly trap aid agencies into adopting political positions. This risk would be reduced by the creation of an entity similar to the Supreme Council for the Management and Coordination of Humanitarian Affairs (SCAMCHA) in Sana'a. While such an entity has been touted, it has not yet come to fruition. Secondly, the multiplication of local taxation and revenue collection will further complicate the operational environment for humanitarian actors, as they may struggle to differentiate between official and unofficial tax collection, especially with the STC. Risks also remain of further setbacks in the operating environment for aid actors, with the fragmentation of authority structures in other IRG areas resulting in the implementation of differing access frameworks for aid actors. This was notable in recent obstacles being faced by aid actors accessing populations in need under areas controlled by Tareq Saleh-affiliated forces in Taiz and the west coast.

## **Recommendations**

**Develop plans to mitigate inter-ministerial competition and encourage cooperation.** One of the biggest risks to aid agencies is that they will become caught in competition between ministers from different political groups over authority and funding. Aid agencies, with support from their donors, should proactively assess each project and aid initiative for its potential to elicit competition and develop mitigation strategies when risks exist. Aid agencies and their donors should also look to encourage cooperation between ministers from different political parties. There is a window for aid agencies to promote cooperation given the general goodwill that all political parties are presently demonstrating to the international aid community.<sup>12</sup>

**Improve understanding of officials' political allegiance and willingness to cooperate.** In order to avoid being pulled into inter-ministerial competition, and where possible to promote cooperation, aid agencies should develop detailed analyses of the political allegiance of interlocutors in the ministries relevant to their projects, the willingness of these interlocutors to cooperate across political divides, and the incentives for competition and cooperation (e.g., pressure groups, public sentiment, media coverage). Where possible, aid agencies working in the same sector or on similar projects should cooperate on shared analyses. These analyses, whether individual or collective, should be updated regularly.

**Collective action to challenge multiple revenue collection channels.** The growth of revenue collection channels presents a significant risk to economic recovery, as it will increase the costs of goods imported to Yemen and their onwards distribution. It also makes it more difficult for aid agencies to plan their tax burden, and to understand which revenues are legitimate and which empower local political and security actors. There is a need for political actors –potentially led by the UN and donors – to engage with the unity government to clarify standard revenue collection channels and establish meaningful processes for reporting and disabling illegitimate collection channels. This would need to be done in consultation with aid agencies and with assurance that such measures would not put them at risk.

**Revise approach to coordination with STC-aligned armed groups.** In marked contrast to practice in the previous report, aid agencies have increased rather than reduced cooperation with STC-aligned

<sup>&</sup>lt;sup>12</sup> This is predominantly due to the pragmatic recognition that aid inflows represent a critical form of support for millions of Yemenis. However, widely held perceptions of aid diversion, particularly in AA controlled areas, and declining aid budgets continue to fuel negative perceptions of aid actors among many.

groups, and hence reliance on them for access. While such coordination assists aid agencies in delivering aid more rapidly, aid agencies risk empowering STC-aligned armed groups by endowing them with more authority than Hadi- or Islah-aligned actors and local civilian authorities. Aid agencies should consider revising their approach by collectively working with the new IRG to establish civilian coordination offices over travel permissions for aid agencies at a localised level in governorates and districts.

Act early to prevent violent extremism in the wider secessionist movement. As noted, the entry of the IRG into the government has reinvigorated some secessionist groups that previously had little public reach or support. Experience from other contexts (e.g., Northern Ireland) demonstrates that formalising opposition groups can result in the emergence of new and potentially more violent groups. The international community should closely monitor dynamics in the southern separatist movement, and where feasible introduce programmes to counter violent extremism, as well as encourage the pursuit of political goals through peaceful means.

**Increase conflict prevention programming in Abyan.** While there has been a redeployment of STC and other armed groups in Abyan, there is a risk of renewed violence. Such violence could be driven by political competition inside the new unity government. The international community should look to increase its conflict prevention programming in Abyan, potentially through community safety and community monitoring work. At present, programming in Abyan is dominated by non-traditional funders.



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