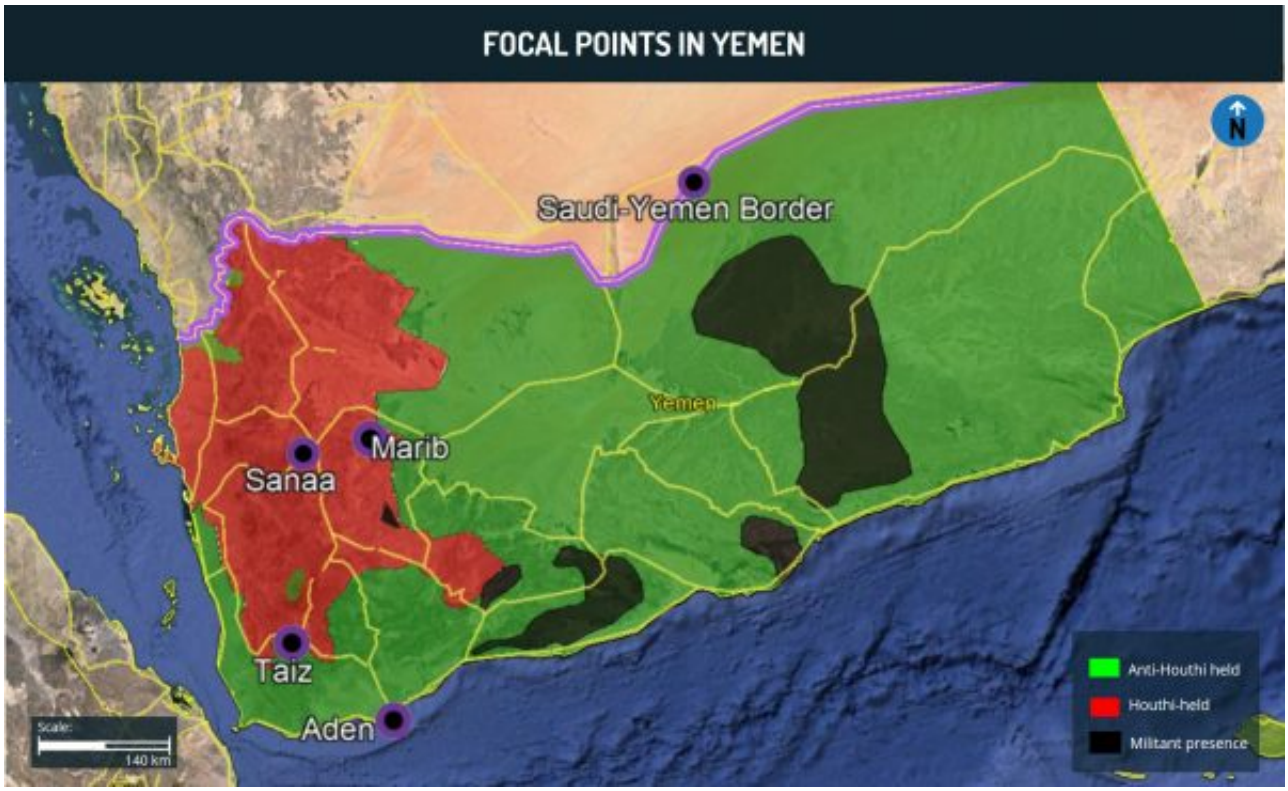
Politics

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Yemen SITUATION UPDATE: US Secretary of State announces intention to designate Houthis as FTO on January 11; liable to hinder humanitarian activities, UN-led talks

Executive Summary:

- On January 8, a Houthi-organized protest was held outside the UN office in Sanaa city to denounce the UN's role as an "essential partner" in the detention of oil derivatives by the Saudi-led Coalition. This shows the Houthis' efforts to deflect criticism and project the UN and the Coalition as responsible for the socio-economic hardships of civilians in Houthi-held areas.
- On January 11, US Secretary of State announced that he would notify the US Congress of his intent to designate the Houthis as a "Foreign Terrorist Organization (FTO)". This is part of the incumbent Donald Trump administration's efforts to broaden the sanctions campaign against Iran to include its backed groups in the region.
- Reports between January 8-10 indicate that the Houthis shelled residential areas and executed civilians in Taiz Governorate's Azlat al-Hayma. Although pro-houthi reports from January 9 indicated that the Houthis killed five Islamic State (IS) operatives, it is more likely that the killed individuals were dissidents rather than militants.
- According to an unconfirmed January 13 report, the presence of Iranian-made "Shahed-136" suicide unmanned aerial vehicles (UAV), which allegedly has an operational range of 2000-2200 km, was found in Houthi-held areas of al-Jawf Governorate. This is likely to elevate concerns among US allies regarding Iran's military buildup and arms support to the Houthis in Yemen.
- Overall, the Houthis' designation as a FTO is liable to have far-reaching consequences, especially for the delivery of humanitarian aid to civilians in Houthi-held areas. Going forward, Washington may use it as leverage to gain concessions and coerce the Houthis into entering negotiations with the Saudi-led Coalition to end the war in Yemen.



Current Situation:

Across the country, the following incidents have been reported:

Aden Governorate

Map #	Date	District/City	Brief Description
1	January 7	Mansoura	An IED exploded near a vegetable market and a school. Additional reports indicate that the explosion occurred in proximity to the central prison. Shrapnel from the explosion reportedly damaged windows of nearby houses and vehicles.
2	January 10	Khormaksar	An IED, which was reportedly placed in a paper box, exploded in a residential neighborhood located near Aden International Airport during the morning hours. While no

			casualties were recorded, the explosion caused some material damage to neighboring houses.
3	January 11	Sheikh Othman	An IED explosion reportedly targeted a parked security personnel’s vehicle in a neighborhood in the district. No casualties were recorded.
3	January 12	Sheikh Othman	Unknown gunmen reportedly attempted to assassinate a security official and severely wounded him.
1	January 13	Mansoura	Protesters reportedly burnt tires to denounce heightened prices of commodities and delays in salary payments.



Marib Governorate

Map #	Date	District/City	Brief Description
4	January 12	Rahabah District	Anti-Houthi forces claimed to have taken over two “strategic” mountain ranges in the

			district.

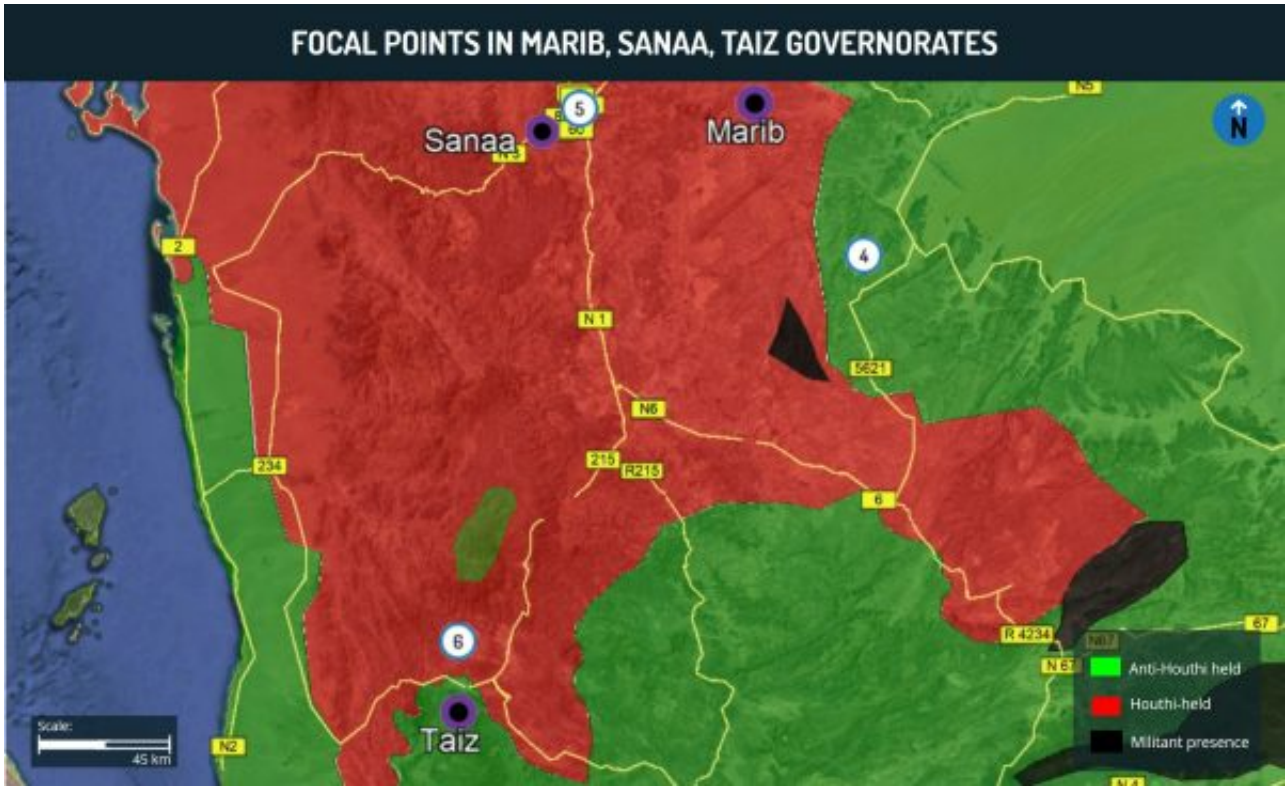
Sanaa Governorate

Map #	Date	District/City	Brief Description
	January 6	Unspecified	The Houthis reportedly kidnapped three engineers working for the national oil company. According to reports quoting the Hadi-government-affiliated national oil company, two of the engineers were kidnapped off a bus on their way from Sanaa to the gas fields in Marib Governorate. The third engineer was abducted in front of his house in Sanaa.
5	January 8	Sanaa city	According to the official Houthi news agency, the Houthi-run oil company organized a protest in front of the UN office in the city to denounce the “continued detention of oil derivatives” by the Saudi “aggression”. The protesters condemned the UN as an “essential partner” in the detention of the derivatives, which “increases the suffering of the Yemeni people”.

Taiz Governorate

Map #	Date	District/City	Brief Description
6	January 8	Azlat al-Haymah	Six civilians, including two women and two children, were reported killed in artillery shelling conducted by the Houthis.
6	January 9	Azlat al-Haymah	The Houthis announced killing five Islamic State (IS) leaders, and wounding and arresting

			several others in a security operation. Five members of the Houthi security forces were killed during the operation.
6	January 10	Azlat al-Haymah	Unconfirmed reports indicate that the Houthis have besieged several areas in the area. Additional reports, as well as the Hadi-led government stated that Houthi forces shelled several residential neighborhoods and killed dissident elements in the area.



General Developments

Date	District/City	Brief Description
January 7	Aden	The UN special envoy to Yemen, Martin Griffiths, reportedly arrived in Aden as part of a new “round to revive the stalled peace process”.
January 11		The US Secretary of State, Mike Pompeo, announced that he will notify the US Congress of his

		“intent” to designate the Houthis as a “Foreign Terrorist Organization” (FTO) and three Houthi leaders as “Specially Designated Global Terrorists” (SDGT). The designations aim to hold the Houthis “accountable for their terrorist acts, including cross-border attacks threatening civilian populations, infrastructure and commercial shipping”. One of the Houthi leaders, Mohammed Ali al-Houthi, issued a statement declaring that the group “reserves the right to respond to any classification” from the US President Donald Trump.
January 13	al-Jawf Governorate	According to a report drawn from purported satellite imagery, remnants of Iranian-made ”Shahed-136” suicide unmanned aerial vehicles (UAV) were discovered in Houthi-controlled areas in the governorate. The UAV is assessed in the report to have an effective operational range of 2000-2200 km.

Assessments & Forecast:

1. The January 8 protest condemning the UN as an “essential partner” in the continued detention of oil derivatives by the Saudi “aggression” follows periodic Houthi-sponsored protests in front of the UN office in Sanaa, as was also recorded on December 12, 2020. Such demonstrations highlight grievances harbored by the Houthi leadership and segments of the local population towards the UN and aims to project the latter as partially responsible for their socio-economic hardships given its acquiescence to the Saudi-imposed blockade. These protests are part of sustained Houthi attempts to depict the UN as promoting the interests of the US and the Saudi-led Coalition, thus delegitimizing the UN and its affiliated humanitarian programs. This was also showcased by Houthi leader, Mohammed Ali al-Houthi’s condemnation of the UN’s World Food Program (WFP) on November 12, 2020, for providing aid “based on political classification”. These grievances have prompted the Houthis to restrict the allocation of aid to certain areas under their control and to demand shares of such aid, according to unconfirmed reports. Through this discourse, the Houthis also likely aim to emphasize to the local population that it is the Saudi-led Coalition and Western-led international organizations that are responsible for socio-economic grievances in Houthi-controlled territories, in a bid to deflect any potential criticism towards the Houthi leadership. **FORECAST**: The Houthis will thus likely continue to accuse UN agencies of misconduct and organize further protests in front of UN offices throughout their controlled-territories in Yemen.
2. The US Secretary of State’s January 11 announcement of his “intent” to designate the Houthis as a “Foreign Terrorist Organization” (FTO) constitutes an effort by the incumbent Donald Trump-led US administration to broaden the scope of its “maximum pressure” campaign against Tehran, to include its Yemen-based ally. This is because Iran is known to be the primary military and political

backer of the Houthis. As part of this strategy, by designating the Houthis as a FTO, the incumbent administration likely seeks to make the US's partial support to the Saudi-led Coalition more legally binding and long-term, especially against the backdrop of the change in administration which is slated to take place on January 20. This is particularly given that President-elect Joe Biden is expected to maintain a less cooperative stance towards the Saudi-led Coalition under the pretext that the latter has engaged in excessive use of force in Yemen. **FORECAST**: Given that weakening Iran and its allies in the Middle East has been a priority for the incumbent Trump administration, it will likely strive to formally strengthen this policy stance in the coming days until Pompeo officially notifies the US Congress on January 19. This will heighten further the tensions between the Houthis and the Saudi-led Coalition. This may also result in retaliatory attacks by the Houthis against entities linked to the US and its allies, especially Saudi Arabia, and against maritime vessels in the Red Sea over the coming days and weeks.

3. Furthermore, the fact this terrorist designation will likely hinder the transfer of humanitarian goods and medical supplies to civilians in Houthi-held areas has raised significant concerns across the international community. The president of a prominent international humanitarian group warned that the designation would make the task of its teams on the ground in Yemen "all but impossible". Although Pompeo has stated that the US would work to reduce the impact on "certain humanitarian activity and imports into Yemen", several actors have expressed skepticism over the ability of these US assurances to ensure the flow of donations and fundings for humanitarian projects in Yemen. Moreover, over recent years, Oman has successfully arranged the release and repatriation of numerous foreign nationals, including US nationals, held by the Houthis. The designation may thus subject these direct negotiations to sanctions as they may be considered part of material support to the Houthis. Similarly, it will also likely hinder UN-led peace talks in the country. **FORECAST**: In this context, President Biden will face pressure from activists and leading international humanitarian organizations that operate in Yemen to protect the country's civilians from political measures against the Houthis. However, going forward, Washington may seek to use the designation as leverage against the Houthis in a bid to coerce the group into providing concessions and reaching a peaceful agreement with the Saudi-led Coalition to end the war in Yemen.
4. The January 8-10 incidents reported in Taiz's Azlat al-Haymah are notable given the contradictory reports with regards to the Houthi operation in the region. On the one hand, if the Houthis indeed dismantled IS networks in the area, it would suggest that IS militants have sought refuge in the northern parts of Taiz. The militants may have likely done so during August 2020, when the Houthis conducted a large-scale operation against militant hideouts in their previous stronghold in Bayda, which led to significant casualties among IS operatives. Following this, no attacks have been claimed by the Sunni jihadist group thus far. However, given that multiple reports suggest that the Houthi operations targeted civilians who were not involved in militancy, it is more likely that the latest operation was launched to dismantle what the Houthis may have perceived as cells of dissident elements. This is given that the Houthis' threat perception regarding dissent and espionage has likely increased in recent weeks following the rapprochement and political accord between the pro-Hadi forces and the Southern Transitional Council (STC). This is because the reconciliation between the aforementioned parties bolsters the Hadi-led government's ability to transfer military forces from Aden to Taiz, thus posing a greater threat to the Houthi-controlled areas in Taiz. Therefore, the Houthis possibly attempted to clamp down on local elements perceived as supportive of the Hadi-STC camp. **FORECAST**: Further similar Houthi campaigns against dissident or militant elements may be recorded throughout Houthi-controlled territories in Taiz over the coming days and weeks.
5. The January 13 unconfirmed report on the discovery of what appears to be the remnants of an Iranian-made "Shahed-136" suicide UAV in al-Jawf is notable. This is given the UAV's assessed operational range of over 2000 km, per sources cited in the report. This indicates that the UAV may be used by the Houthis against adversarial targets across the region, including deep within Saudi Arabia, the UAE, or Israel. While the assessed range remains uncorroborated by additional sources, the development also comes amid elevated tensions between the US and its allies in the Middle East, on the one side, and Iran and its allies, including the Houthis, on the other. In this context, several American and Israeli officials have maintained that Iran is engaged in a process of

military buildup in Yemen. On December 26, 2020, the Israel Defense Forces (IDF) Spokesperson reportedly stated that a threat to Israel may emanate from Yemen, where Iran is developing UAVs and “smart” missiles. Reports from January 8 indicated that Israel has deployed the Patriot Advanced Capability (PAC)-2 air defense system in Eilat, as a precaution against potential attacks. These developments also coincided with several threats that the Houthis issued particularly against Israel during the last week of December 2020. **FORECAST**: This recent development will thus overall further elevate concerns among US allies, particularly Israel, Saudi Arabia, and the UAE, that Iran is strengthening the Houthis’ long-range attack capabilities within Yemen to target the former’s territories. The Saudi-led Coalition will likely further allocate intelligence resources to intensify their attempts to locate and destroy such arms, particularly around al-Jawf, over the coming weeks and months. It may also increase maritime monitoring in the Red Sea to intercept potential transfers of arms by Iran to the Houthis.

Recommendations:

1. It is advised to avoid all travel to Sanaa and Aden.
2. In the event of air strikes, it is advised to take shelter in a basement or on the second story level of a concrete building away from windows and the entrance. If no such areas are available, it is advised to take cover under a sturdy object in the center of the home away from windows; lay on the ground while covering your head with your hands.
3. We advise against all travel to outlying areas and overland travel, due to the limited government and security presence, ongoing clashes and airstrikes, as well as the heightened threat of attacks and kidnappings.
4. For those operating in or conducting business with oil facilities, it is advised to consult with us for itinerary and contingency support plans.
5. Foreigners, particularly Westerners, continuing to operate in Yemen are additionally advised to maintain a low profile, exercise heightened vigilance, and avoid locales frequented by foreign, particularly Western nationals. To mitigate the risk of attacks or abductions, ensure that places of stay are equipped with sufficient perimeter security details, alter travel routes, and avoid disclosing sensitive itinerary information to unknown individuals.