



Honduran-U.S. Relations

Peter J. Meyer

Analyst in Latin American Affairs

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Summary

On June 28, 2009, the Honduran military detained President Manuel Zelaya and flew him to exile in Costa Rica, ending 27 years of uninterrupted democratic, constitutional governance. Following the ouster, the Honduran Supreme Court released documents asserting that an arrest warrant had been issued for Zelaya as a result of his noncompliance with previous court orders. Zelaya's forced removal halted the judicial process before a trial could be held, and the Honduran National Congress replaced him with head of Congress Roberto Micheletti. The United States and international community have universally condemned the events in Honduras and called for a restoration of Zelaya and the rule of law. General elections to elect a new president and National Congress are scheduled to be held on November 29, 2009, though questions remain concerning whether Zelaya supporters and the international community will accept the results.

The political instability brought about by the removal of President Zelaya has created yet another challenge for Honduras, one of the hemisphere's poorest countries. In addition to significant challenges in the areas of crime, human rights, and improving overall economic and living conditions, the country faces a poverty rate of nearly 70%, high infant mortality, and a significant HIV/AIDS epidemic.

While traditional agricultural exports of coffee and bananas are still important for the economy, nontraditional sectors, especially the maquiladora, or export-processing industry, have grown significantly over the past decade. The economy, which grew by 6.3% in 2007 and 4% in 2008, has benefitted from significant debt reduction by international financial institutions that have freed government resources to finance poverty-reduction programs. The global financial crisis and current political crisis, however, are expected to slow economic growth sharply in 2009.

The United States has a close relationship with Honduras, characterized by an important trade partnership, a U.S. military presence in the country, and cooperation on a range of transnational issues. In addition to Honduras being a party to the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA), some 78,000 Hondurans living in the United States have been provided temporary protected status (TPS) since the country was devastated by Hurricane Mitch in 1998. The United States also provides significant foreign assistance to Honduras, amounting to \$40.5 million in FY2008 and an estimated \$43 million in FY2009.

Several resolutions have been introduced in the 111th Congress regarding the political crisis in Honduras. On July 8, 2009, H.Res. 619 (Mack) and H.Res. 620 (Serrano) were introduced in the House. H.Res. 619 condemns Zelaya for his "unconstitutional and illegal" actions and calls on all parties to seek a peaceful resolution. H.Res. 620 calls upon the Micheletti government to end its "illegal seizure of power" and work within the rule of law to resolve the situation. On July 10, H.Res. 630 (Delahunt) was introduced in the House. It condemns the "coup d'etat" in Honduras; refuses to recognize the Micheletti government; calls for the reinstatement of Zelaya; urges the Obama Administration to suspend non-humanitarian assistance to Honduras; calls for international observation of the November 2009 elections; and welcomes the mediation efforts of Costa Rican President Oscar Arias. On September 17, H.Res. 749 (Ros-Lehtinen) was introduced in the House, calling for the Secretary of State to work with Honduran authorities to ensure free and fair elections in Honduras. It also calls on President Obama to recognize the November elections "as an important step in the consolidation of democracy and rule of law in Honduras."

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Political Situation

Prior to the June 2009 military-imposed exile of President Manuel Zelaya, Honduras—a Central American nation with a population of about 7.4 million—had enjoyed 27 years of uninterrupted elected civilian democratic rule. Zelaya’s forced removal marked the country’s first departure from democratic, constitutional governance since the military relinquished control of the country in 1982. Following the ouster, the Honduran National Congress replaced Zelaya with the head of Congress, Roberto Micheletti. (For more information, see “2009 Political Crisis” and “Appendix” below.) General elections to fill nearly 3,000 posts nationwide, including the presidency and all 128 seats in the National Congress, are scheduled to be held in Honduras on November 29, 2009, though questions remain concerning whether Zelaya supporters and the international community will accept the results. (For more information, see “November 2009 Elections.”)

Zelaya Administration

Manuel Zelaya of the Liberal Party won the November 2005 presidential election 49.9% to 46.17%, narrowly defeating his National Party rival Porfirio Lobo Sosa, who had been the head of the Honduran National Congress. The Liberal (PL) and National (PN) parties traditionally have been the country’s two dominant political parties. Both are considered center-right parties, and there appear to be few major ideological differences between the two. During the 2005 campaign, both candidates broadly supported the direction of the country’s market-oriented economic policy, but they emphasized different approaches in dealing with crime perpetrated by youth gangs. Lobo called for tougher action against gangs by reintroducing the death penalty (which was abolished in 1957) and increasing prison sentences for juvenile delinquents, whereas Zelaya opposed the death penalty and emphasized a more comprehensive approach that would include job creation and training. Zelaya also campaigned for more citizen involvement and transparency in government and promised to increase social programs and combat corruption. In the 2005 legislative elections that were held simultaneously with the presidential elections, Zelaya’s Liberal Party won 62 seats in the 128-member Congress, just short of a majority.

Zelaya—a wealthy landowner with considerable investments in the timber and cattle industries—was generally regarded as a moderate when he was inaugurated to a four-year term on January 27, 2006.¹ As his term progressed, however, President Zelaya advanced a number of populist policies. These included free school enrollment, an increase in teachers’ pay, a reduction in fuel costs, and a 60% increase in the minimum wage.² Zelaya also forged closer relations with Venezuelan President Hugo Chávez, joining PetroCaribe and the Bolivarian Alternative for the Americas (ALBA) in 2008.³

¹ “People Profile: Manuel ‘Mel’ Zelaya,” *Latin News Daily*, November 15, 2005; “Manuel Zelaya: empresario conservador que transitó a la izquierda,” *Agencia Mexicana de Noticias*, June 29, 2009.

² The minimum wage decree—which did not affect the maquila sector’s monthly minimum wage that fluctuates between 6,000 and 7,000 Lempiras (\$318-\$370)—increased the rural monthly minimum wage to 4,055 Lempiras (\$215) and the urban monthly minimum wage to 5,500 Lempiras (\$291). “Elevan a L.5,500 el salario mínimo en Honduras,” *El Heraldo* (Honduras), December 24, 2008.

³ PetroCaribe is a Venezuelan program that provides oil at preferential discounted rates to Caribbean countries. ALBA is a socially oriented trade block that includes cooperation in a range of areas such as health, education, culture, investment, and finance. Other ALBA members include Bolivia, Cuba, Ecuador, Nicaragua, and Venezuela. The Honduran National Congress ratified PetroCaribe and ALBA, and both initiatives were supported by all 62 members of the Liberal Party and some members of three smaller parties, with the National Party abstaining. “Honduras: Congress (continued...)”

While Zelaya's populist policies allowed him to maintain considerable support among certain sectors of Honduran society, they alienated many within his own party. Likewise, his Administration's inability to achieve concrete results on a number of issues of importance significantly weakened his public standing. Most Hondurans have not seen an improvement in their living standards as poverty, unemployment, and inflation have remained high. Violent crime has also increased. According to the United Nations Development Program, the country's 2008 murder rate reached 57.9 per 100,000 inhabitants, a 25.2% increase from 2007 and one of the highest rates in the world.⁴ Although he advocated transparency in government, Zelaya faced several corruption scandals during his term as well. A number of high ranking officials were forced to resign and the transparency law passed by his Administration has been criticized as having too many loopholes.⁵ Opinion polls conducted prior to his ouster indicated that Zelaya's approval rating had fallen to about 30%, though he maintained strong support among certain groups, such as rural and public sector labor unions.⁶

2009 Political Crisis

Constitutional Referendum

In March 2009, President Zelaya issued an executive decree calling on the National Statistics Institute (INE) to hold a popular referendum on June 28, 2009, to determine if the country should include a fourth ballot box⁷ during the general elections scheduled to be held on November 29, 2009. The fourth ballot would consult Hondurans about whether the country should convoke a national constituent assembly to approve a new constitution. In May 2009, Zelaya repealed the March decree and issued a new decree—not published until June 25—that made the referendum non-binding and removed the reference to a new constitution. The non-binding referendum would have asked Hondurans, “Do you agree that in the general elections of 2009, a fourth ballot box should be installed in which the people decide on the convocation of a National Constituent Assembly?”⁸ Zelaya has argued that the constitution—drafted in 1982—must be amended to reflect the “substantial and significant changes” that have taken place in Honduran society in recent years.⁹

The proposal was immediately criticized by a number of officials. The PL President of Congress Roberto Micheletti expressed ardent opposition, the 2009 presidential nominees of the PL and the PN—both of whom have indicated they are open to a constitutional assembly¹⁰—accused Zelaya of trying to perpetuate himself in power, the Attorney General's Office accused Zelaya of

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signs up to Petrocaribe” *Latin American Caribbean & Central America Report*, March 2008; “Honduras: Congress approves Alba, with caveats,” *Latin American Caribbean & Central American Report*, October 2008.

⁴ “Honduras report signals rising violence,” *Latin News Daily*, February 22, 2009.

⁵ Thelma Meja, “Corruption: Honduras Grapples with Murky Transparency Law,” *Global Information Network*, February 23, 2007.

⁶ Mica Rosenberg, “Protests erupt, gunshots heard after Honduras coup,” *Reuters*, June 28, 2009.

⁷ There are generally three ballot boxes: one for the presidential race, another to choose deputies to the National Congress, and a third for municipal elections.

⁸ “Llegó el día de verdad,” *El Tiempo* (Honduras) June 28, 2009.

⁹ “Constitutional reform or power grab,” *Latin American Weekly Report*, March 26, 2009.

¹⁰ “Lobo the front runner in Honduras,” *Latin News Daily*, July 15, 2009.

violating the constitution, and the Honduran judiciary¹¹ declared Zelaya's proposal unconstitutional.¹² Nonetheless, Zelaya pushed forward, maintaining that the law of citizen participation approved shortly after he took office allows him to consult the people of Honduras in a non-binding poll. Zelaya also noted that the referendum did not propose specific constitutional changes, and any changes arising from an eventual assembly would take place after he left office. President Zelaya's refusal to accept the court rulings, however, sparked rumors that he was planning an institutional coup that would dissolve Congress and immediately call a constitutional assembly.¹³

The political situation in the country deteriorated considerably the week before the non-binding referendum was to be held as Honduran society and the country's governmental institutions became increasingly polarized. On June 23, the National Congress created an additional legal obstacle, passing a law preventing referenda from occurring 180 days before or after general elections. A day later, Zelaya ordered the resignations of Honduran Defense Minister Edmundo Orellana Mercado and Chairman of the Joint Chiefs of Staff Romeo Vasquez Velasquez after they informed him that the Honduran military would not provide logistical support for the non-binding referendum since the courts had ruled it unconstitutional. The removal of Orellana and Vasquez prompted the resignation of 36 other Honduran military commanders, including the heads of the army, navy, and air force.¹⁴ On June 25, the Supreme Court ordered that the Defense Minister and Armed Forces Chief should be restored to their positions, and the National Congress began debate on the possibility of censuring Zelaya. In response, Zelaya declared that the legislature and courts were working with the country's oligarchy to carry out a technical coup.¹⁵

By the day the non-binding referendum was to be held, the proposal had drawn the opposition of the legislature, the judiciary, the Attorney General, the Human Rights Ombudsman, the hierarchy of the Catholic Church, evangelical groups, business associations, and four of the five political parties represented in the National Congress—including Zelaya's own PL. Nearly all of these social and political actors called on the people of Honduras to boycott the referendum. Proponents of the referendum included unions, peasants, women's groups, groups of ethnic minorities, and the small leftist Democratic Unification party (DU).¹⁶

Detention and Expulsion of Zelaya

On June 28, 2009, shortly before the polls were to open for the non-binding referendum, the Honduran military surrounded the presidential residence, arrested President Zelaya, and flew him to exile in Costa Rica. According to most analysts, the action directly violated the Honduran Constitution, which forbids the expatriation of Honduran citizens. Those involved in the removal

¹¹ It should be noted that the Honduran judiciary "is seen as neither effective nor fair" and "in practice, the judicial system is open to political influence." "Honduras Country Profile," *Economist Intelligence Unit*, 2008.

¹² "Honduras: Fiscalía dice Zelaya no puede llamar a consulta popular," *Associated Press*, March 25, 2009; Poder Judicial de Honduras, "Expediente Judicial Relación Documentada Caso Zelaya Rosales," available at <http://www.poderjudicial.gob.hn/>.

¹³ "Honduras: Zelaya denies coup rumors," *Latin American Weekly Report*, June 11, 2009.

¹⁴ "Consulta ciudadana genera crisis en Honduras," *Agencia Mexicana de Noticias*, June 25, 2009; "Honduras lurches," *Latin News Daily*, June 25, 2009.

¹⁵ "Zelaya claims coup," *Latin News Daily*, June 26, 2009.

¹⁶ "Llegó el día de verdad," *El Tiempo* (Honduras), June 28, 2009; "Partidos políticos advirtieron de crisis," *El Heraldo* (Honduras), June 28, 2009.

maintain that it was necessary to avoid chaos and bloodshed.¹⁷ The military also confiscated all referendum materials from polling places across the country. In the aftermath of the ouster, the Honduran Supreme Court produced documents asserting that an arrest warrant for President Zelaya had been issued in secrecy on June 26 as a result of the executive branch's noncompliance with judicial rulings that had declared the non-binding referendum unconstitutional. Zelaya has been charged with crimes against the form of government, treason, abuse of authority, and usurpation of functions for calling a referendum without the approval of the National Congress and intending to use the INE to supervise the vote rather than the Supreme Electoral Tribunal.¹⁸ The judicial process was halted before a trial could be held, however, as a result of the Honduran military's actions.

Following the ouster, the Honduran National Congress accepted a letter of resignation allegedly signed by the exiled president, which Zelaya immediately declared to be fraudulent.¹⁹ The Congress then passed²⁰ a decree that disapproved of Zelaya's conduct for "repeated violations against the Constitution and laws of the Republic and nonobservance of the resolutions and rulings of the judicial organs," removed Zelaya from office, and named Roberto Micheletti—the Head of Congress and the next in line constitutionally—the president of Honduras for the remainder of Zelaya's term, which ends on January 27, 2010.²¹

Although some analysts maintain that Zelaya's removal was done through legal means,²² a number of Honduran legal observers have declared that the actions of the Honduran National Congress were unconstitutional.²³ They assert that the power to remove a president is reserved for the judicial branch. They also note that since Zelaya never resigned and the judicial process against him was terminated prematurely by the military's actions, Zelaya was still President and there was no vacancy to be filled. While the Honduran Supreme Court seems to accept the legality of the actions of Congress given its June 29 ruling that ordered Zelaya's legal proceedings to continue through the ordinary judicial process since he "no longer holds high office,"²⁴ it has never directly ruled on the issue.²⁵

¹⁷ Frances Robles, "Top Honduran military lawyer: We broke the law," *Miami Herald*, July 3, 2009; Ginger Thompson, "On TV, Honduran Generals Explain Their Role in Coup," *New York Times*, August 5, 2009.

¹⁸ Poder Judicial de Honduras, "Expediente Judicial Relación Documentada Caso Zelaya Rosales," available at <http://www.poderjudicial.gob.hn/>.

¹⁹ "Diputados hondureños aceptan una supuesta renuncia del presidente Zelaya," *El Tiempo* (Honduras), June 28, 2009; "Zelaya ofrece conferencia en Costa Rica," *La Prensa* (Honduras), June 28, 2009.

²⁰ 122 of the 128 members of the National Congress reportedly voted for the resolution, with an independent and the five deputies of the DU not present for the vote. Some members of the Liberal Party maintain they were not present for the vote and that the reported vote count is inaccurate. "Zelaya planificaba disolver el Congreso," *El Herald* (Honduras), June 28, 2009; "Aparecen más diputados declarando que hubo golpe," *El Tiempo* (Honduras), July 3, 2009.

²¹ "El decreto de la separación de Zelaya," *El Herald* (Honduras), June 28, 2009.

²² Octavio Sánchez, "A 'coup' in Honduras? Nonsense," *Christian Science Monitor*, July 2, 2009; Miguel A. Estrada, "When a coup isn't; Under Honduras' Constitution, the ouster of President Manuel Zelaya was legal," *Los Angeles Times*, July 10, 2009; U.S. House Committee on International Relations, Subcommittee on the Western Hemisphere, Statement of Guillermo Perez-Cadalso, July 10, 2009.

²³ Edmundo Orellana, "El 28 de junio y la Constitución," *La Tribuna* (Honduras), August 1, 2009; Ramón Enrique Barrios, "No hubo sucesión constitucional," *El Tiempo* (Honduras), August 28, 2009.

²⁴ Poder Judicial de Honduras, "Expediente Judicial Relación Documentada Caso Zelaya Rosales," available at <http://www.poderjudicial.gob.hn/>.

²⁵ The Supreme Court accepted an amparo petition that called for the congressional decree removing Zelaya to be declared null in August, and has since ordered the National Congress to deliver the congressional decree and all other (continued...)

Micheletti Government

Roberto Micheletti maintains that he is the legitimate president of Honduras, and that Zelaya's removal was a "constitutional substitution."²⁶ He has named a new cabinet, announced a plan of governance, and assured the public that general elections will be held in November 2009, as previously planned.²⁷ Micheletti has also received strong support from some sectors of Honduran society, with thousands of people marching in support of Zelaya's removal.²⁸ A poll taken in the days after the ouster found Honduras closely split, with 46% of Hondurans opposing the removal of Zelaya and 41% supporting it.²⁹ An October 2009 poll indicates that while support for the ouster remains relatively stable, with 38% approving, opposition has risen to 60% of the population.³⁰

Despite Micheletti's declarations that the country continues to function democratically, Honduran society generally has been under strict control since Zelaya's removal. On the day of the ouster, security forces patrolled the streets; a curfew was put in place and a number of local and international television and radio stations were shut down or intimidated.³¹ Moreover, members of Zelaya's Administration, other political and social leaders, and some members of the press were detained or forced to go into hiding.³² Since then, the Micheletti government has periodically implemented curfews—often arbitrarily and with little or no prior notification—and issued decrees restricting civil liberties.³³ Reports also indicate that the Micheletti government has regularly used disproportionate force against the daily protests calling for Zelaya's restoration and limited public information by threatening opposition media.³⁴ Following Zelaya's September 21 return to Honduras, Micheletti declared a 45-day state of siege, suspending freedom of the press and freedom of movement, requiring police or military authorization for public meetings, allowing detention without a warrant, and shutting down two of the leading sources of media opposition to his government.³⁵ While criticism from the country's presidential candidates, members of the National Congress, and the Supreme Electoral Tribunal ultimately led Micheletti to revoke the decree three weeks later, some repressive actions have continued.³⁶ According to

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information relating to Zelaya's ouster to the Court to be reviewed, though no official action has been taken. "Por recurso de amparo: Corte le pide al Congreso decreto que derrocó a Mel," *El Tiempo* (Honduras), September 18, 2009.

²⁶ "Honduran interim gov't battles international isolation," *EFE News Service*, June 30, 2009.

²⁷ "Micheletti: promete combatir el hambre y la inseguridad," *La Prensa* (Honduras), June 29, 2009.

²⁸ "Rechazan manifestantes hondureños injerencia internacional," *Agencia Mexicana de Noticias*, June 30, 2009.

²⁹ Diana Logreira & Gesell Tobías, "41-46: Honduras un país dividido," *Voice of America*, July 9, 2009.

³⁰ "Honduras Frequency Questionnaire," *Greenberg Quinlan Rosner Research*, October 2009.

³¹ "Honduras: Decretan toque de queda por 48 horas," *La Prensa* (Honduras), June 28, 2009; "Honduras: Media Blackout, Protests Reported," *Stratfor*, June 29, 2009.

³² "Al menos ocho ministros están detenidos," *La Prensa* (Honduras), June 28, 2009; "En la clandestinidad ministros de Zelaya," *El Tiempo* (Honduras), June 30, 2009; "Denuncian violaciones a la libertad de expresión," *El Tiempo* (Honduras), June 30, 2009.

³³ "Honduras suspende derechos constitucionales durante toque queda," *Reuters*, July 1, 2009; Amnesty International, "Honduras: human rights crisis threatens as repression increases," August 2009.

³⁴ Inter-American Commission on Human Rights, "Preliminary Observations on the IACHR Visit to Honduras," August 21, 2009.

³⁵ "Gobierno ordena suspender garantías constitucionales," *El Tiempo* (Honduras), September 28, 2009; Elisabeth Malkin & Ginger Thompson, "Honduras Shuts Down 2 Media Outlets, Then Relents," *New York Times*, September 29, 2009.

³⁶ "Pepe Lobo: Suspensión de garantías daña la imagen del país," *El Tiempo* (Honduras), September 28, 2009; (continued...)

human rights organizations, over 1,200 people have been illegally detained and nine anti-Micheletti demonstrators have been killed since the June 28 ouster.³⁷ An October 2009 poll found that just 36% of Hondurans approve of Micheletti's job in office, while 59% believe he rarely or never does what is in the interest of the Honduran people. The same poll found that 42% of Hondurans recognize Zelaya as president, while 36% recognize Micheletti.³⁸

International Pressure

The international community reacted quickly and forcefully to the events in Honduras. The United States,³⁹ European Union, and United Nations condemned the actions and called for Zelaya's immediate return, as did every regional grouping in the hemisphere from the System of Central American Integration (SICA) to the Caribbean Community (CARICOM) to the Union of South American Nations (UNASUR). Countries throughout Latin America and Europe withdrew their ambassadors, further diplomatically isolating the Micheletti government, which has yet to be recognized by a single country. Economic pressure has also been placed on Honduras, which has already suffered considerably as a result of the global financial crisis and U.S. recession. Some Central American countries imposed a 48-hour commercial blockade, the World Bank and the Inter-American Development Bank are withholding some \$320 million in loans and other transfers, and Venezuela—which provided 50% of Honduras' petroleum imports in 2008—has stopped supplying the country with oil.⁴⁰

The democratic nations of the Western Hemisphere have also exerted significant pressure on the Micheletti government through the Organization of American States (OAS). On the day of Zelaya's removal, the OAS held an emergency meeting and issued a resolution that vehemently condemned the "coup d'état;" demanded the immediate, safe and unconditional return of Zelaya to the presidency; declared that no government arising from the coup will be recognized; and condemned all acts of violence.⁴¹ On July 1, the OAS adopted another resolution that threatened to suspend Honduras from the organization if the country failed to allow Zelaya to return to power within three days.⁴² On July 4, the OAS unanimously voted to suspend Honduras for an unconstitutional interruption of the democratic order in accordance with Article 21 of the Inter-American Democratic Charter.⁴³ Since the suspension, the Inter-American Commission on

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Elisabeth Malkin & Ginger Thompson, "Honduras Shuts Down 2 Media Outlets, Then Relents," *New York Times*, September 29, 2009; Faustino Ordóñez Baca, "Decreto entorpece el proceso electoral," *El Heraldo* (Honduras), September 28, 2009; "Micheletti publica revocación restricciones Honduras," *Reuters*, October 19, 2009.

³⁷ "Persiste violación de DDHH en Honduras pese a acuerdo, advierten ONG en CIDH," *Agence France Presse*, November 3, 2009.

³⁸ "Hondureños ven solución en presidente alternativo y elecciones, según sondeo," *EFE News Service*, October 27, 2009; "Honduras: 42% reconoce a Zelaya como presidente, 36% a Micheletti (encuesta)," *Agence France Presse*, October 28, 2009.

³⁹ For more on the U.S. response, see "U.S. Response to Honduran Political Crisis."

⁴⁰ Robin Emmott, "Aid freeze in post-coup Honduras hurting poor," November 12, 2009; "Venezuela halts oil deliveries to Honduras," *EFE News Service*, July 8, 2009; "Negociación solo es para que Zelaya enfrente la justicia," *El Heraldo* (Honduras), July 7, 2009.

⁴¹ Organization of American States, "OAS Permanent Council Condemns Coup D'état in Honduras, Calls Meeting of Ministers and Entrusts Secretary General With Carrying Out Consultations," June 28, 2009.

⁴² Nestor Ikeda, "OEA da a Micheletti 3 días para dar paso a Zelaya," *Associated Press*, July 1, 2009.

⁴³ Lesley Clark & Laura Figueroa, "OAS suspends Honduras over president's ouster," *Miami Herald*, July 5, 2009. This is the first time the OAS has suspended a country since Cuba was suspended in 1962.

Human Rights—an autonomous organ of the OAS—has assessed the human rights situation in Honduras, and the OAS has supported various mediation attempts.

In July, Zelaya and Micheletti agreed to participate in talks mediated by Costa Rican President Oscar Arias, who won a Nobel Peace Prize in 1987 for his efforts to end conflicts in Central America during his previous administration (1986-1990). Following initial meetings with President Arias, both leaders designated groups of negotiators to continue on their behalves. President Arias eventually proposed a 12-point plan to end the political conflict in Honduras known as the “San José Accord.” Among other provisions, the proposal called for President Zelaya’s reinstatement, the creation of a national unity government, a general amnesty for all political crimes committed before and after Zelaya’s removal, an agreement not to pursue constitutional reform, and the creation of a verification commission to guarantee compliance with the accord.⁴⁴ Although Zelaya initially declared the negotiation process a failure, he later signaled that he would accept the Arias proposal.⁴⁵ Micheletti’s negotiators said they would take the proposal back to the independent branches of the government to consider, and subsequently rejected the accord.⁴⁶ Nonetheless, the international community continued to push all of the parties involved to accept the San Jose Accord.

Current Situation

On October 30, following a new round of talks under the auspices of then Assistant Secretary of State for Western Hemisphere Affairs Thomas Shannon and Director of Western Hemisphere Affairs at the National Security Council Dan Restrepo, Zelaya and Micheletti signed onto an agreement designed to end the Honduran political crisis. Largely based on the San José Accord, the so-called “Tegucigalpa/San José Accord” calls for (1) the formation of a national unity and reconciliation government; (2) a renunciation of any attempts to reform the non-amendable provisions of the constitution; (3) a recognition of the November elections with international observation; (4) the transfer of supervision of the armed forces (who traditionally assist in election logistics) to the Supreme Electoral Tribunal one month prior to the election; (5) a congressional vote—considering the input of the Supreme Court—on Zelaya’s restitution to the presidency; (6) the creation of a verification commission to ensure the accord’s implementation, and a truth commission to investigate the events before, during, and after the June 28 ouster; and (7) international recognition of Honduras and the removal of all sanctions against the country. The agreement also set a timeline for implementation: transfer of the agreement to Congress to consider Zelaya’s restitution was to occur on October 30, the verification commission was to be formed by November 2, the national unity government was supposed to take office by November 5, and the formation of the truth commission is scheduled to occur in the first half of 2010.⁴⁷

Despite proclamations by many in the international community that the accord signaled the end of the political crisis in Honduras,⁴⁸ little has changed in the country since the agreement was

⁴⁴ Juan Pablo Carranza, “Arias presentó el ‘Acuerdo de San José’ para buscar reconciliación en Honduras,” *La Nación* (Costa Rica), July 22, 2009.

⁴⁵ “Zelaya reafirma apoyo a Plan Arias para ser restituido como presidente,” *Agence France Presse*, August 4, 2009.

⁴⁶ “Honduras: De Facto Leader Rejects Part of a Deal,” *New York Times*, August 1, 2009; “Corte Suprema opuesta a la restitución de Manuel Zelaya,” *El Tiempo* (Honduras), August 24, 2009.

⁴⁷ “El próximo jueves debe estar formado el gobierno de unidad,” *El Tiempo* (Honduras), October 30, 2009.

⁴⁸ Secretary of State Hillary Rodham Clinton, “Breakthrough in Honduras,” *U.S. Department of State*, October 30, 2009; Jordi Zamora, “Fin de crisis en Honduras, un espaldarazo a la política multilateral de EEUU,” *Agence France* (continued...)

signed. Although a verification committee was created according to schedule, a national unity government—which was to be created by November 5—has yet to be formed.⁴⁹ Likewise, the accord was immediately sent to the legislative branch, yet the National Congress delayed for several weeks before finally announcing that it will consider Zelaya's reinstatement on December 2, three days after the election is to be held.⁵⁰ As a result, Zelaya—who remains confined to the Brazilian Embassy in Honduras, where he has been since his September 21 clandestine return to the country⁵¹—has asserted that the elections will be illegitimate and has urged his supporters to boycott the vote.⁵² The so-called “National Resistance Front Against the Coup d'état,” an umbrella group that has engaged in anti-Micheletti demonstrations since Zelaya's removal, also intends to boycott the elections. Zelaya and the Resistance Front maintain that a fair election cannot be held since the campaign has been conducted under repressive conditions. Additionally, they assert that recognition of the elections would only serve to legitimize the June 28 ouster.⁵³ Without widespread acceptance of the November elections, polarization within Honduran society is likely to increase, street demonstrations may continue, and antigovernment violence—which has been minimal to date⁵⁴—could intensify.⁵⁵

November 2009 Elections

General elections to fill nearly 3,000 posts nationwide, including the presidency and all 128 seats in the National Congress, are scheduled to be held in Honduras on November 29, 2009.⁵⁶ While Micheletti has said the election will be “the final and definitive solution to the current political crisis” and the U.S. State Department has agreed to support the electoral process, a number of Latin American nations—including Brazil—have announced that they will only recognize the results if Zelaya is restored prior to the vote.⁵⁷ Moreover, Zelaya and the National Resistance Front Against the Coup d'état have called for a boycott of the elections. Both the Resistance Front

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Presse, October 30, 2009; “La comunidad internacional celebra el acuerdo alcanzado en Honduras,” *Agence France Presse*, October 30, 2009.

⁴⁹ The verification committee is composed of four members: former Chilean President Ricardo Lagos (2000-2006) and U.S. Secretary of Labor Hilda Solís, appointed by the OAS; Jorge Reina, appointed by Zelaya; and Arturo Corrales, appointed by Micheletti. “Comisión de Verificación se instala y el Congreso consulta al Poder Judicial,” *EFE News Service*, November 3, 2009; “Micheletti pretende seguir en Gobierno de Honduras mientras Congreso decide,” *EFE News Service*, November 4, 2009.

⁵⁰ “Honduran lawmakers to debate Zelaya reinstatement after election,” *EFE News Service*, November 17, 2009.

⁵¹ Zelaya had attempted to return to the country on two previous occasions, but the Micheletti government prevented his plane from landing on July 5 and soldiers prohibited him from walking more than a few feet across the Nicaraguan border on July 24 and July 25.

⁵² José Manuel Zelaya Rosales, “Comunicado Presidente Constitucional Manuel Zelaya,” November 19, 2009, available at http://voselsoberano.com/v1/index.php?option=com_content&view=article&id=2516:comunicado-presidente-constitucional-manuel-zelaya-rosales-19-nov&catid=1:noticias-generales.

⁵³ “Seguidores de Zelaya no participarán en elecciones aunque haya restitución,” *EFE News Service*, November 8, 2009.

⁵⁴ There were two incidents of anti-government violence that were likely politically motivated in September, four in October, and seven through the first half of November. “Claims of US concern about terrorism in Honduras,” *Latin News Daily*, November 18, 2009.

⁵⁵ “Honduras: The Risks of an Ongoing Political Dispute,” *Stratfor*, October 23, 2009.

⁵⁶ “Elecciones, incierto antídoto contra la crisis socio política,” *El Tiempo* (Honduras), August 31, 2009.

⁵⁷ “Struggle ensues over legitimacy of Honduran elections,” *Latin American Weekly Report*, September 3, 2009; Ian Kelly, “Daily Press Briefing,” *U.S. Department of State*, November 6, 2009; “Brasil insiste em que só reconhece eleição com Zelaya no poder,” *Folha de São Paulo*, November 5, 2009.

and the Micheletti government are concerned about the possibility of election day violence, as 31,000 military personnel, reservists, and police officers have been charged with maintaining security, and the Honduran military's Department of Intelligence has reportedly asked each of the country's mayors to identify the local leaders of the Resistance Front.⁵⁸ The election will be observed by some 2,000 Hondurans and at least 250 members of the international community, though organizations that traditionally send electoral observation missions, such as the OAS and the EU, will not be participating.⁵⁹ On November 19, Micheletti announced that he may temporarily halt the "exercise of [his] public duties" between November 25 and December 2, in order to ensure that "the attention of all Hondurans is concentrated on the electoral process and not the political crisis," though he asserts that he would reassume his duties immediately should there be any threat to order or security.⁶⁰ According to an October 2009 poll, 63% of Hondurans think the election will help end the political crisis.⁶¹ Another recent poll, however, found that only 54% of Hondurans would consider an election held under the Micheletti government to be legitimate.⁶²

Primary elections to select the parties' nominees for all offices were held in November 2008 and judged to be free and fair by an OAS electoral observation mission. 2005 candidate Porfirio Lobo Sosa won 81% of the PN presidential primary vote to once again claim his party's nomination. Former Vice President Elvin Santos, though originally ruled constitutionally ineligible to run by the TSE, became the PL presidential nominee following a series of events that included congressional passage of a special decree and a 52%-32% primary victory by his stand-in-candidate, Mauricio Villeda, over then head of the Honduran National Congress, Roberto Micheletti.⁶³ Four minor party candidates also entered the presidential contest: Felícito Avila of the centrist Christian Democracy party (DC), Bernard Martínez of the center-left Party of Innovation and Unity (PINU), César Ham of the leftist Democratic Unification party (UD), and independent union leader Carlos Reyes.

Santos and Lobo are considered the front-runners for the presidential election given the PL and PN's historical domination of Honduran politics, though the current political crisis has considerably altered the electoral landscape. An October 2009 poll found 37% of Hondurans supported Lobo, 21% supported Santos, 6% supported Reyes, and 36% were undecided—a 10-point increase in the undecided vote from a poll taken prior to the political crisis.⁶⁴ While Lobo and Santos have sought to straddle the divide in Honduran society regarding Zelaya's removal,

⁵⁸ Noé Leiva, "Zelaya impugnará elecciones mientras militares se entrenan contra boicot," *Agence France Presse*, November 19, 2009; Frente Nacional de Resistencia contra el Golpe de Estado, "Comunicado No.35," November 20, 2009, available at http://voselsoberano.com/v1/index.php?option=com_content&view=article&id=2557:comunicadono35-del-frente-nacional-de-resistencia-contr-el-golpe-de-estado&catid=1:noticias-generales.

⁵⁹ "Consocio hará conteo simultáneo de los votos," *El Tiempo* (Honduras), November 17, 2009; "Organismo electoral prevé al menos 250 observadores en elecciones de Honduras," *EFE News Service*, November 16, 2009; Gustavo Palencia, "Honduras busca convencer observadores para cuestionada elección" *Reuters*, November 13, 2009; "La CE dice que no hay tiempo para una misión electoral y envía a dos expertos," *EFE News Service*, November 11, 2009.

⁶⁰ Roberto Micheletti Bain, "Discurso Del Señor Presidente Constitucional De La República," November 19, 2009.

⁶¹ "Hondureños ven solución en presidente alternativo y elecciones, según sondeo," *EFE News Service*, October 27, 2009.

⁶² "Honduras Frequency Questionnaire," *Greenberg Quinlan Rosner Research*, October 2009.

⁶³ "Divisive primaries split ruling PL," *Latin American Caribbean & Central America Report*, December 2008; "Honduras' Vice President Regains the Right to Run; Elvin Santos is Partido Liberal Presidential Candidate," *Latin America Data Base NotiCen*, March 5, 2009.

⁶⁴ "Hondureños creen que las elecciones resolverán la crisis política," *Agence France Presse*, October 27, 2009.

both are perceived to have backed the ouster, and Santos has suffered a significant loss in support as a result of division within the PL. Lobo and Santos have offered relatively similar campaign proposals as well, with both making vague pledges to maintain orthodox economic policies, address the country's high crime rate, increase jobs, and reduce poverty.⁶⁵ Given the PL and PN's association with the unpopular ouster of Zelaya,⁶⁶ the substantial strength of the organized resistance to the Micheletti government, and the large portion of the electorate that is undecided, the November election could present the Honduran left with an opportunity to challenge the country's two traditional parties. Nonetheless, a number of left-leaning candidates for a variety of offices—including independent presidential candidate Carlos Reyes, PL presidential designate⁶⁷ candidate Margarita Zelaya de Elvir, and two incumbent Members of Congress of the DC and UD—have withdrawn from the elections and intend to boycott the vote.⁶⁸

Economic and Social Conditions

With a per capita income of \$1,600 (2007), Honduras is classified by the World Bank as a lower middle income developing economy.⁶⁹ Traditional agricultural exports of coffee and bananas are still important for the Honduran economy, but nontraditional sectors, such as shrimp farming and the maquiladora, or export-processing industry, have grown significantly over the past decade. Among the country's development challenges are an estimated poverty rate of nearly 70%; an infant mortality rate of 31 per 1,000; and chronic malnutrition for one out of three children under five years of age. Honduras also has a significant HIV/AIDS crisis, with an adult infection rate of 1.5% of the population. The Garifuna community (descendants of freed black slaves and indigenous Caribs from St. Vincent) concentrated in northern coastal areas has been especially hard hit by the epidemic. Despite these challenges, the World Bank maintains that increased public spending on health and education has reaped significant improvements in development indicators over the past decade.⁷⁰

Honduras was devastated by Hurricane Mitch in 1998, which killed more than 5,000 people and caused billions of dollars in damage. The gross domestic product declined by 1.4% in 1999, and the country felt the effects of the storm for several years, with roads and bridges washed out, the agricultural sector hard hit, and scores of orphaned children, many of whom joined criminal

⁶⁵ "Las propuestas de 'Pepe' Lobo a Honduras," *El Heraldo* (Honduras), September 2, 2009; "Las propuestas del candidato Elvin Santos," *El Heraldo* (Honduras), September 1, 2009.

⁶⁶ According to an October 2009 poll, 60% of Hondurans disapprove of Zelaya's removal, two-thirds of whom strongly disapprove of the June 28 ouster. "Honduras Frequency Questionnaire," *Greenberg Quinlan Rosner Research*, October 2009.

⁶⁷ According to the 1982 Honduran constitution, three presidential designates are to be elected with the president. The Honduran National Congress replaced the designates with a single vice president in 2002, but a November 2008 Supreme Court ruling declared the change unconstitutional since it modified non-amendable articles of the constitution. As a result, three presidential designates will once again be elected with the president in the November 2009 election. "CSJ oficializa inconstitucionalidad," *El Heraldo* (Honduras), November 12, 2008.

⁶⁸ "Seguidores de Zelaya no participarán en elecciones aunque haya restitución," *EFE News Service*, November 8, 2009; "Renuncian importantes dirigentes del liberalismo," *El Tiempo* (Honduras), November 22, 2009; "Zelayistas dicen que hay incongruencias en la UD," *El Tiempo* (Honduras), November 23, 2009.

⁶⁹ World Bank, World Development Report, 2009.

⁷⁰ U.N. Economic Commission for Latin America and the Caribbean, "Social Panorama of Latin America," 2008; World Bank, "Honduras Country Brief," September 2006; World Bank "Fighting Malnutrition in Central America," December 19, 2006; Also see CRS Report RL32713, *Afro-Latinos in Latin America and Considerations for U.S. Policy*, by Clare Ribando Seelke and June S. Beittel.

gangs. Spurred on by substantial U.S. foreign assistance, however, the economy rebounded by 6% in 2000, and has remained positive ever since. More recently, the economy registered growth rates of 4.1% in 2005, 6.3% in 2006 and 2007, and 4% in 2008.⁷¹

Honduras has also benefited from several debt-reduction programs in recent years. A three-year poverty reduction and growth facility (PRGF) agreement with the International Monetary Fund (IMF) that imposed fiscal and monetary targets on the government to maintain firm macroeconomic discipline and to develop a comprehensive poverty reduction strategy, made Honduras eligible for about \$1 billion in debt relief under the IMF and World Bank's Highly Indebted Poor Countries (HIPC) Initiative in 2005. The Inter-American Development Bank (IDB) also implemented a debt forgiveness program for its poorest members in 2006, including Honduras, which benefitted from a reduction of \$1.4 billion in foreign debt, freeing government resources to finance poverty-reduction programs.⁷² Nevertheless, Honduras remains one of the most impoverished nations in Latin America.

The global financial crisis and the current political crisis have taken a toll on the Honduran economy. Remittances—which accounted for 19% of GDP in 2008—are down 11% over the first nine months of 2009 and export earnings are down 13% in the first half of the year.⁷³ The Micheletti government is unable to implement an economic stimulus to counteract these trends since the international community—which was supposed to finance 20% of the country's budget through donations and transfers—has instead imposed sanctions in response to the country's political situation.⁷⁴ The World Bank and the Inter-American Development Bank are withholding some \$320 million in loans and other transfers, the IMF is not allowing the Micheletti government to access \$165 million in special drawing rights (SDRs), the European Union suspended an estimated \$93 million in budget support, the United States has terminated some \$33 million in economic and military aid, and Venezuela—which provided 50% of Honduras' petroleum imports in 2008—has stopped supplying the country with oil.⁷⁵ There is also considerable domestic pressure on the Honduran economy as those opposed to Zelaya's ouster have implemented transportation blockades, strikes, and other measures designed to paralyze economic activity.⁷⁶ Some economists have estimated that the political crisis is costing Honduras \$20 million daily in lost trade, aid, tourism, and investment.⁷⁷ The Micheletti government has already cut central government spending by 10%, and analysts maintain additional cuts may be necessary. The Honduran economy is expected to contract by 4.4% in 2009.⁷⁸

⁷¹ "Honduras: Country Report," *Economist Intelligence Unit*, September 2008 and January 2009.

⁷² "Honduras: Country Report," *Economist Intelligence Unit*, April 2007; Nestor Ikeda, "Inter-American Development Bank Forgives Debt of 5 Nations," *Associated Press*, March 17, 2007.

⁷³ "Honduras: Struggling," *Latin American Economy & Business*, October 2009; "Honduras economy: Political crisis takes its toll," *Economist Intelligence Unit*, October 27, 2009.

⁷⁴ Keny López de Carballo, "Honduras no puede prescindir de créditos," *La Prensa Grafica* (El Salvador), July 9, 2009.

⁷⁵ Robin Emmott, "Aid freeze in post-coup Honduras hurting poor," *Reuters*, November 12, 2009; "Honduras can't touch IMF resources—IMF" *Reuters*, September 9, 2009; "Unión Europea suspende ayuda financiera a Honduras," *Reuters*, July 20, 2009; "Senior State Department Officials Hold Background News Teleconference on Honduras," *CQ Newsmaker Transcripts*, September 3, 2009; "Venezuela halts oil deliveries to Honduras," *EFE News Service*, July 8, 2009; "Negociación solo es para que Zelaya enfrente la justicia," *El Heraldo* (Honduras), July 7, 2009.

⁷⁶ "Manifestantes aseguran que hoy paralizan el país," *El Tiempo* (Honduras), July 23, 2009.

⁷⁷ Blake Schmidt, "Midence Says Honduras Economy to Shrink After Crisis," *Bloomberg*, August 7, 2009;

⁷⁸ "Honduras: Country Report," *Economist Intelligence Unit*, October 2009.

Figure 1. Map of Honduras



Source: Map Resources. Adapted by CRS Graphics.

Issues in U.S.-Honduran Relations

The United States has had close relations with Honduras over many years, characterized by significant foreign assistance, an important trade relationship, a U.S. military presence in the country, and cooperation on a range of transnational issues. The bilateral relationship became especially close in the 1980s when Honduras returned to democratic rule and became the lynchpin for U.S. policy in Central America. At that time, the country became a staging area for U.S.-supported excursions into Nicaragua by anti-Sandinista forces known as the *contras*.

Today, overall U.S. policy goals for Honduras include a strengthened democracy with an effective justice system that protects human rights and promotes the rule of law, and the promotion of sustainable economic growth with a more open economy and improved living conditions. The United States also cooperates with Honduras to deal with transnational issues such as narcotics trafficking, money laundering, the fight against terrorism, illegal migration, and trafficking in persons, and supports Honduran efforts to protect the environment and combat HIV/AIDS. There

are some 800,000 to 1 million Hondurans residing in the United States, who sent an estimated \$2.8 billion in remittances to Honduras in 2008, roughly a quarter of the country's gross domestic product.⁷⁹

According to some analysts, President Zelaya jeopardized Honduras' traditional close relations with the United States by forging closer relations with Venezuelan President Hugo Chávez and his allies.⁸⁰ In addition to joining Venezuela's PetroCaribe and Bolivarian Alternative for the Americas (ALBA), Zelaya delayed the accreditation of U.S. Ambassador to Honduras Hugo Llorens by one week in September 2008 in order to show solidarity with Bolivia in its diplomatic spat with the United States. President Zelaya reportedly took a softer tone in his first official meeting with Ambassador Llorens, however, and described the United States "as an ally and friend." Zelaya also maintains that he has been forced to turn to Venezuela for assistance in addressing high food and energy prices as a result of insufficient U.S. support.⁸¹

U.S. Response to Honduran Political Crisis

In the weeks and months leading up to President Zelaya's proposed non-binding referendum, the U.S. embassy in Honduras repeatedly made it clear that the referendum was a matter for Hondurans to resolve and that whatever was decided should comply with Honduran law.⁸² As the situation deteriorated in the days before the proposed referendum was to take place, the United States continued to "urge all sides to seek a consensual democratic resolution" to the political impasse.⁸³ The exhaustive efforts of U.S. officials, however, were unable to prevent Zelaya's removal and the resulting political crisis.

Following the ouster, President Obama immediately expressed deep concern about the situation and called on all Hondurans to respect democratic norms and resolve the dispute peacefully.⁸⁴ The Obama Administration later condemned the events more forcefully, declaring them illegal, and asserting that the United States views Zelaya as the legitimate president of Honduras.⁸⁵ The U.S. embassy in Honduras also provided security and refuge for Zelaya's family.⁸⁶

While the United States has largely worked with its partners in the hemisphere through the OAS to address the situation in Honduras, it has also taken a number of bilateral steps. In the days after Zelaya's removal, U.S. Southern Command announced that it was minimizing cooperation with the Honduran military,⁸⁷ the U.S. State Department announced that it would suspend a variety of foreign assistance programs in Honduras,⁸⁸ and President Zelaya met in Washington, DC, with

⁷⁹ U.S. Department of State, "Background Note: Honduras," June 2008; "Latin America: Remittances slide," *Economist Intelligence Unit*, January 26, 2009.

⁸⁰ "Honduras: Zelaya Risks ALBA Membership," *Oxford Analytica*, September 16, 2008.

⁸¹ Freddy Cuevas "Honduran Leader: U.S. Apathy Made Him Turn to Chávez," *Associated Press*, September 19, 2008.

⁸² "'El presidente Zelaya está equivocado': Micheletti," *La Prensa* (Honduras), March 23, 2009; "'Uno no puede violar la Constitución': Llorens," *La Prensa* (Honduras), June 4, 2009.

⁸³ "State Department Regular News Briefing," *CQ Newsmaker Transcripts*, June 26, 2009.

⁸⁴ White House, Office of the Press Secretary "Statement from President on the situation in Honduras," June 28, 2009.

⁸⁵ "Senior Administration Officials Hold State Department Background Briefing via Teleconference on Honduras," *CQ Newsmaker Transcripts*, June 28, 2009.

⁸⁶ Hillary Rodham Clinton, Secretary of State, "Remarks at the Top of the Daily Press Briefing," July 7, 2009.

⁸⁷ For more information, see "Military Cooperation."

⁸⁸ For more information, see "U.S. Foreign Assistance."

Assistant Secretary of State for Western Hemisphere Affairs Thomas Shannon, Director of Western Hemisphere Affairs at the National Security Council Dan Restrepo, and Secretary of State Hillary Clinton.⁸⁹ The United States strongly supported the mediation of Costa Rican President Oscar Arias, advising both Zelaya and Micheletti to accept the proposed San José Accord. In order to place pressure on Honduran officials to accept the agreement, the State Department revoked the visas of members and supporters of the Micheletti government, suspended non-emergency and non-immigrant visa services in the consular section of the U.S. embassy in Honduras, terminated some \$32.7 million in U.S. assistance, and announced that it would not recognize the results of the planned November 2009 general election in Honduras.⁹⁰ The State Department has since acknowledged that it will recognize the electoral process in order to support the “Tegucigalpa/San José Accord,” which was signed following a new round of talks initiated under the auspices of Shannon and Restrepo.⁹¹

U.S. Foreign Assistance

The United States has provided considerable foreign assistance to Honduras over the past three decades. In the 1980s, the United States provided about \$1.6 billion in economic and military aid as the country struggled amid the region’s civil conflicts. In the 1990s, U.S. assistance to Honduras began to wane as regional conflicts subsided and competing foreign assistance needs grew in other parts of the world. Hurricane Mitch changed that trend as the United States provided almost \$300 million in assistance to help the country recover from the 1998 storm. As a result of the new influx of aid, total U.S. assistance to Honduras for the 1990s amounted to around \$1 billion. With Hurricane Mitch funds expended by the end of 2001, U.S. foreign aid levels to Honduras again began to decline.

Recent foreign aid funding to Honduras amounted to about \$49 million in FY2006, almost \$44 million in FY2007, and \$40.5 million in FY2008 (see **Table 1**). For FY2009, an estimated \$43 million in regular foreign aid funding was appropriated. In addition, Honduras could receive a portion of the \$105 million allocated to Central America through the Mérida Initiative to boost the region’s narcotics interdiction capabilities and support a regional anti-gang strategy. For FY2010, the Obama Administration requested more than \$68 million in foreign aid for Honduras, including over \$53 million in Development Assistance, \$12 million in Global Health and Child Survival assistance, and \$1.3 million in Foreign Military Financing. U.S. assistance in FY2010 will support a variety of projects designed to enhance security, strengthen democracy, improve education and health systems, conserve the environment, and build trade capacity. In addition to the \$68 million in bilateral assistance requested, Honduras would also likely receive a portion of the \$100 million requested for Central America in FY2010 for the continuation of the Mérida Initiative.

⁸⁹ Hillary Rodham Clinton, Secretary of State, “Remarks at the Top of the Daily Press Briefing,” July 7, 2009.

⁹⁰ U.S. Department of State, Office of the Spokesman, “Revocation of Diplomatic Visas,” July 28, 2009; U.S. Department of State, Office of the Spokesman, “Temporary Suspension of Non-Immigrant Visa Services in Honduras,” August 25, 2009; U.S. Department of State, Office of the Spokesman, “Termination of Assistance and Other Measures Affecting the De Facto Regime in Honduras,” September 3, 2009; “Senior State Department Officials Hold Background News Teleconference on Honduras,” *CQ Newsmaker Transcripts*, September 3, 2009.

⁹¹ Ian Kelly, “Daily Press Briefing,” *U.S. Department of State*, November 6, 2009

Table I. U.S. Foreign Aid to Honduras, FY2006-FY2010

(U.S. \$ in thousands)

Account	FY2006	FY2007	FY2008	FY2009 (est.)	FY2010 (req.)
Global Health and Child Survival (USAID) ^a	13,140	12,034	12,035	11,750	11,000
Global Health and Child Survival (State) ^b	—	750	1,000	1,000	1,000
Development Assistance	20,604	15,540	15,149	21,382	53,434
Economic Support Funds	—	175	—	—	—
Foreign Military Financing	891	675	496	400	1,300
International Military Education & Training	1,218	1,404	936	700	700
International Narcotics Control & Law Enforcement	—	—	744	—	800
Nonproliferation, Antiterrorism & Demining	315	268	—	—	—
Food Aid (P.L. 480)	13,105	13,005	10,150	8,000	—
Total	49,273	43,851	40,510	43,232 ^c	68,234 ^d

Sources: U.S. Department of State, Congressional Budget Justification, Foreign Operations, FY2008-FY2010.

- a. This foreign aid account used to be called “Child Survival and Health,” but was re-labeled with the FY2010 budget request. The majority of U.S. assistance to combat HIV/AIDS has been provided under this account.
- b. This foreign aid account used to be called “Global HIV/AIDS Initiative,” but was re-labeled with the FY2010 budget request.
- c. The Omnibus Appropriations Act, 2009 (P.L. 111-8) provides \$105 million for Central America under the Mérida Initiative, some of which will likely go to Honduras.
- d. The Obama Administration’s FY2010 request includes \$100 million to continue the Mérida Initiative in Central America. Honduras would likely receive some of these funds.

Additional foreign assistance is provided to Honduras through the Peace Corps, which has been active in the country since 1963, and the Millennium Challenge Corporation (MCC), which signed a five-year \$215 million compact for Honduras in June 2005. The MCC compact has two components: a rural development project and a transportation project. The rural development project involves providing Honduran farmers with the skills needed to grow and market horticultural crops. The transportation project will improve a highway linking the Atlantic port of Puerto Cortés to Pacific ports and major production centers in Honduras, El Salvador, and Nicaragua. It will also involve improvements to main highways and secondary and rural roads, to enable farmers and other businesses to get their products to markets more efficiently.⁹²

As a result of the Honduran military’s detention and expulsion of President Zelaya, the United States has terminated \$32.7 million in U.S. foreign assistance appropriated for Honduras for FY2009. Although the United States has yet to declare the events in Honduras a “military coup” for the purposes of Section 7008 of the 2009 Omnibus Appropriations Act (P.L. 111-8), the

⁹² Millennium Challenge Corporation, “Honduras Overview,” available at <http://www.mcc.gov/countries/honduras/index.php>.

terminated assistance represents those funds that the United States would be legally required to discontinue should it do so.⁹³ Some \$10.3 million of the terminated funds were dedicated to military assistance programs, such as Foreign Military Financing (\$6.5 million), International Military Education and Training (\$0.36 million), global peacekeeping operations (\$1.72 million), and 1206 security assistance (\$1.7 million). Another \$11.4 million in terminated funds had been allocated to the Global Child Survival and Health (\$2.7 million) and Development Assistance and Economic Support Fund (\$8.7 million) accounts for trade capacity building, support for the Honduran ministries of labor and education, and a number of other programs—such as basic education, aid to small farmers, and anti-gang activities—that flow through the government of Honduras.⁹⁴ The final \$11 million in terminated funds had been dedicated to two transportation projects as part of the \$215 million MCC compact that Honduras signed in 2005. The terminated funds were all that remained from the compact, as \$80 million had been dispersed and contracts worth an additional \$124 million had been signed prior to Zelaya's ouster. An additional \$4 million in MCC funding to Honduras has been put on hold.⁹⁵ The terminated assistance could be restored following a return to democratic, constitutional governance in Honduras.⁹⁶ U.S. foreign assistance programs that provide direct assistance to the Honduran people, such as food and child aid, disease prevention, disaster assistance, and democracy promotion, remain in place.

Military Cooperation

The United States maintains a troop presence of about 600 military personnel known as Joint Task Force (JTF) Bravo at Soto Cano Air Base. JTF Bravo was first established in 1983 with about 1,200 troops, who were involved in military training exercises and in supporting U.S. counterinsurgency and intelligence operations in the region. Today, U.S. troops in Honduras support such activities as disaster relief, medical and humanitarian assistance, counternarcotics operations, and search and rescue operations that benefit Honduras and other Central American countries. Regional exercises and deployments involving active duty and reserve components provide training opportunities for thousands of U.S. troops. In the aftermath of Hurricane Mitch in 1998, U.S. troops provided extensive assistance in the relief and reconstruction effort. JTF Bravo has responded to a number of natural disasters in the region in recent years, most recently providing humanitarian relief to victims of severe flooding in El Salvador in November 2009.⁹⁷

The U.S. and Honduran militaries also cooperate on personnel training. In addition to joint exercise opportunities at JTF-Bravo, members of the Honduran military have received training at the Western Hemisphere Institute for Security Cooperation (WHINSEC, formerly known as the

⁹³ Section 7008 of the 2009 Omnibus Appropriations Act (P.L. 111-8) states: "None of the funds appropriated or otherwise made available" for bilateral economic assistance or international security assistance "shall be obligated or expended to finance directly any assistance to the government of any country whose duly elected head of government is deposed by military coup or decree."

⁹⁴ U.S. Department of State, Office of the Spokesman, "U.S. Assistance to Honduras," July 7, 2009; U.S. Department of State, Office of the Spokesman, "Termination of Assistance and Other Measures Affecting the De Facto Regime in Honduras," September 3, 2009; "Senior State Department Officials Hold Background News Teleconference on Honduras," *CQ Newsmaker Transcripts*, September 3, 2009.

⁹⁵ Information Provided to CRS by the Millennium Challenge Corporation; Millennium Challenge Corporation, "MCC Board of Directors Upholds Importance of Country-Led Development and Accountability," September 9, 2009.

⁹⁶ U.S. Department of State, Office of the Spokesman, "Termination of Assistance and Other Measures Affecting the De Facto Regime in Honduras," September 3, 2009.

⁹⁷ Staff Sgt. Chad Thompson, "U.S. military helicopters airlift 61,000 pounds of aid to El Salvador," *Joint Task Force-Bravo Public Affairs*, November 14, 2009.

School of the Americas) in Fort Benning, GA.⁹⁸ WHINSEC has trained tens of thousands of military and police personnel from throughout Latin America, but has been criticized by a number of human rights organizations because some of its graduates have participated in military coups and committed human rights abuses. Supporters of the school maintain that WHINSEC emphasizes democratic values and respect for human rights, develops camaraderie between U.S. military officers and military and police personnel from other countries in the hemisphere, and is crucial to developing military partners capable of effective combined operations.⁹⁹

As a result of the Honduran military's role in President Zelaya's removal from office, the United States has suspended joint military activities as well as military assistance to the country.¹⁰⁰ The events in Honduras have also led some analysts to question the effectiveness of U.S. foreign military training programs. These analysts contend that such programs have not obtained their desired outcomes given that General Romeo Vasquez Velasquez—who has received U.S. training—led the effort to remove President Zelaya, and the Honduran military reportedly cut off contact with the United States prior to the ouster.¹⁰¹

On May 21, 2009, the Latin American Military Training Review Act (H.R. 2567, McGovern) was introduced in the House. The bill would suspend all operations at WHINSEC, establish a joint congressional task force to assess the types of training that are appropriate to provide Latin American militaries, and establish a commission to investigate activities at WHINSEC and its predecessor.

Economic Linkages

U.S. trade and investment linkages with Honduras have increased greatly since the early 1980s. In 1984, Honduras became one of the first beneficiaries of the Caribbean Basin Initiative (CBI), the unilateral U.S. preferential trade arrangement providing duty-free importation for many goods from the region. In the late 1980s, Honduras benefitted from production-sharing arrangements with U.S. apparel companies for duty-free entry into the United States of certain apparel products assembled in Honduras. As a result, maquiladoras or export-assembly companies flourished, most concentrated in the north coast region. The passage of the Caribbean Basin Trade Partnership Act in 2000 (CBTPA), which provided Caribbean Basin nations with NAFTA-like preferential tariff treatment, further boosted Honduran maquiladoras. Trade relations expanded again following the implementation of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), which entered into force with Honduras in April 2006.

⁹⁸ For more information on the School of the Americas and the Western Hemisphere Institute for Security Cooperation, see CRS Report RL30532, *U.S. Army School of the Americas: Background and Congressional Concerns*, by Richard F. Grimmett and Mark P. Sullivan and CRS Report RS20892, *Western Hemisphere Institute for Security Cooperation*, by Richard F. Grimmett.

⁹⁹ U.S. Southern Command, "Posture Statement of Admiral James G. Stavridis, United States Navy Commander, United States Southern Command, Before the 111th Congress Senate Armed Services Committee," March 17, 2009.

¹⁰⁰ "U.S. suspends joint military activities with Honduras," *EFE News Service*, July 1, 2009; U.S. Department of State, Office of the Spokesman, "U.S. Assistance to Honduras," July 7, 2009.

¹⁰¹ "U.S. suspends joint military activities with Honduras," *EFE News Service*, July 1, 2009; "Senior Administration Officials Hold State Department Background Briefing via Teleconference on Honduras," *CQ Newsmaker Transcripts*, June 28, 2009; "When your aid recipients stop taking your calls," *Center for International Policy*, June 28, 2008, available at <http://www.cipcol.org/>.

The United States is by far Honduras' largest trading partner. In 2008, the United States was the destination of about 37% of Honduran exports and the origin of about 37% of its imports. Honduras is the largest Central American exporter to the United States and the top Latin American exporter of knit apparel to the United States. In 2008, U.S. exports to Honduras amounted to about \$4.8 billion, up 31% from 2006. Knit and woven apparel inputs accounted for a substantial portion, as did machinery and petroleum. U.S. imports from Honduras amounted to about \$4 billion in 2008, with knit and woven apparel (assembled products from the maquiladora sector) accounting for the lion's share. Other Honduran exports to the United States include coffee, seafood, bananas, electrical wiring, gold, and tobacco.¹⁰²

In terms of investment, the stock of U.S. foreign direct investment in Honduras amounted to \$968 million in 2007, concentrated in the manufacturing sector.¹⁰³ More than 150 U.S. companies operate in Honduras, with the most significant U.S. investments in the maquila or export assembly sector, fruit production, tourism, energy generation, shrimp farming, animal feed production, telecommunications, fuel distribution, cigar manufacturing, insurance, brewing, food processing, and furniture manufacturing.¹⁰⁴ U.S. businesses operating in Honduras have begun to experience some negative affects of the country's political crisis. The tourism and manufacturing sectors have been especially hard hit as international travelers have stayed away and government-imposed curfews have prevented workers from getting to their places of employment.¹⁰⁵

Despite the increases in trade and investment that have occurred since the implementation of CAFTA-DR, a number U.S. and Honduran officials have expressed concerns about the agreement. Honduran officials are concerned about the loss of agricultural jobs in the corn, rice, beef, poultry, and pork sectors since the country opened its market to U.S. agricultural products. Some fear that the loss of agricultural employment could lead to social unrest if not addressed properly through long-term investment. While CAFTA-DR has provisions to enforce domestic labor codes and improve labor rights, a number of U.S. officials maintain that the provisions are inadequate given the history of non-compliance with labor laws in many Central American nations. The U.S. State Department's 2008 Country Reports on Human Rights Practices for Honduras found credible evidence that employees engaged in union duties were blacklisted within the maquiladoras and that union leaders were occasionally targeted with threats and violence.¹⁰⁶

Crime

Honduras, along with neighboring El Salvador and Guatemala, has become fertile ground for gangs, which have been fueled by poverty, unemployment, leftover weapons from the conflicts of the 1980s, and the U.S. deportation of criminals to the region. The two major gangs in Honduras—Mara Salvatrucha, or MS-13, and the 18th Street gang, or M-18—were first established in Los Angeles in the 1980s by Salvadoran immigrants who were excluded from

¹⁰² U.S. Department of Commerce statistics, as presented by *Global Trade Atlas*, 2009.

¹⁰³ U.S. Department of Commerce, Bureau of Economic Analysis, "Survey of Current Business," September 2008.

¹⁰⁴ U.S. Department of State, "Background Note: Honduras," February 2009.

¹⁰⁵ Brian Wagner, "Honduran Businesses Suffer as Political Crisis Continues," *Voice of America*, October 16, 2009; Kevin Bogardus, "U.S. Business sees Honduran elections as solution to crisis," *The Hill*, October 28, 2009.

¹⁰⁶ U.S. Department of State, Bureau of Democracy, Human Rights, and Labor, "2008 Country Reports on Human Rights Practices," February 25, 2009.

Mexican-American gangs. The U.S. deportation of criminals back to the region in the 1990s may have helped lay the foundation for the development of MS-13 and M-18 in Central America.¹⁰⁷ Although estimates of the number of gang members in Central America vary widely, the U.S. Southern Command maintains that there are some 70,000, concentrated largely in Honduras, El Salvador, and Guatemala.¹⁰⁸

During his term, President Maduro (2002-2006) increased the number of police officers and signed legislation that made *maras* (street gangs) illegal and gang membership punishable with 12 years in prison. Although the crackdown won popular support and initially reduced crime, its success was short-lived. Following his election, President Zelaya replaced the previous administration's zero-tolerance policy with dialogue and other outreach techniques designed to convince gang members to give up violence and reintegrate into society.¹⁰⁹ Failure to achieve concrete results, however, led the Zelaya Administration to shift its emphasis toward more traditional anti-gang law enforcement operations. The Administration increased the number of police and military troops in the streets and conducted raids against suspected criminals. Nonetheless, crime and violence in Honduras have continued unabated.¹¹⁰

Several U.S. agencies have been involved in assisting Honduras and other Central American countries in dealing with the gang problem.¹¹¹ On the law enforcement side, the FBI and the U.S. Immigration and Customs Enforcement (ICE) have worked closely with Honduran law enforcement and the United States has provided anti-gang training for Honduran police and prosecutors.¹¹² The U.S. Agency for International Development, while not having a specific program focusing on gangs, supports several programs that attack the risk factors associated with gang membership and violence. These include a program to provide basic education skills to at-risk youths and a program to improve the effectiveness and transparency of the justice system.¹¹³ In July 2007, the United States pledged \$4 million to help Central American governments draft a regional security strategy to fight street gangs and drug trafficking.¹¹⁴ As noted above, Congress has also provided funding to Central America through the Mérida Initiative to boost the region's counternarcotics capabilities and support the development of a regional anti-gang strategy.

¹⁰⁷ Ana Arana, "How the Street Gangs Took Central America," *Foreign Affairs*, May 1, 2005.

¹⁰⁸ House Armed Services Committee, Posture Statement of Gen. Bantz Craddock, Commander, U.S. Southern Command, March 9, 2005.

¹⁰⁹ "Honduran Government Reaches Out to Rehabilitate Gangs," *ACAN-EFE*, January 30, 2006.

¹¹⁰ Marion Barbel, "Homicide Rate Confirms Honduras as One of Region's Most Violent Nations," *Global Insight Daily Analysis*, September 11, 2008.

¹¹¹ See CRS Report RL34112, *Gangs in Central America*, by Clare Ribando Seelke.

¹¹² House Committee on International Relations, Subcommittee on the Western Hemisphere, Statement of John P. Torres, U.S. Immigration and Customs Enforcement, U.S. Department of Homeland Security, Hearing on "Gangs and Crime in Latin America," April 20, 2005.

¹¹³ U.S. Agency for International Development, "Central America and Mexico Gang Assessment, Annex 3: Honduras Profile," April 2006.

¹¹⁴ "U.S. Offers Funds to Help Fight Central America Gangs," *Reuters*, July 18, 2007.

Migration Issues

Temporary Protected Status

In the aftermath of Hurricane Mitch in 1998, the United States provided temporary protected status (TPS) to eligible Hondurans who may otherwise have been deported from the United States. Originally slated to expire in July 2000, TPS status has now been extended seven times due to the U.S. government's assessment that Honduras would have difficulty in coping with the deportees' returns. The most recent TPS extension came in October 2008, when then-Secretary of Homeland Security Michael Chertoff announced that the U.S. would continue to provide TPS for an additional 18 months, expiring on July 5, 2010. Homeland Security officials maintain that the TPS extension was necessary because Honduras continues to face social and economic challenges in its efforts to restore the nation to normalcy despite the significant progress the country has made in terms of recovery and rebuilding. Some 78,000 Hondurans benefit from TPS.¹¹⁵

Deportations¹¹⁶

Deportations to Honduras have increased significantly over the past decade. About 30,000 Hondurans were deported from the United States in both FY2007 and FY2008, making Honduras one of the top recipients of deportees on a per capita basis.¹¹⁷ Increasing deportations from the United States have been accompanied by similar increases in deportations from Mexico, a transit country for Central American migrants bound for the United States. Honduran policymakers are concerned about their country's ability to absorb the large volume of deportees, as it is often difficult for those returning to the country to find gainful employment. Individuals who do not speak Spanish, who are tattooed, who have criminal records, and/or who lack familial support face additional difficulties re-integrating into Honduran society. In addition to these social problems, leaders are concerned that remittances may start to fall if the current high rates of deportations continue.¹¹⁸ In March 2007, the Honduran Congress approved a motion calling for the United States to halt deportations of undocumented Honduran migrants who live and work in the United States.¹¹⁹

Some analysts contend that increasing U.S. deportations of individuals with criminal records has exacerbated the gang problem in Honduras and other Central American countries. By the mid-1990s, the civil conflicts in Central America had ended and the United States began deporting unauthorized immigrants, many with criminal convictions, back to the region. Between 2000 and 2004, an estimated 20,000 criminals were sent back to Central America, many of whom had spent time in prisons in the United States for drug and/or gang-related offenses. Some observers contend that gang-deportees have "exported" a Los Angeles gang culture to Central America, and

¹¹⁵ U.S. Department of Homeland Security, Citizenship and Immigration Services, "Extension of the Designation of Honduras for Temporary Protected Status," October 1, 2008. For background on TPS, see CRS Report RS20844, *Temporary Protected Status: Current Immigration Policy and Issues*, by Ruth Ellen Wasem and Karma Ester.

¹¹⁶ Clare Ribando Seelke contributed information to this section. Also see CRS Report RL34112, *Gangs in Central America*, by Clare Ribando Seelke.

¹¹⁷ Information Provided to CRS by the Department of Homeland Security, Immigration and Customs Enforcement, Office of Detention and Removal.

¹¹⁸ Pamela Constable, "Deportees' Bittersweet Homecoming; Migration is Boon, Bane for Honduras," *Washington Post*, June 27, 2007.

¹¹⁹ "CN Pide a EEUU que Cesen las Deportaciones de Compatriotas," *La Tribuna* (Honduras), March 14, 2007.

that they have recruited new members from among the local populations.¹²⁰ Although a recent United Nations study found little conclusive evidence to support their claims, the media and many Central American officials have attributed a large proportion of the rise in violent crime in the region to gangs, particularly gang-deportees from the United States.¹²¹ In July 2007 testimony before the House Subcommittee on the Western Hemisphere, the Honduran Ambassador to the United States asserted that although the United States provides information to countries on the criminal background of deportees, the information does not include whether the repatriated nationals are gang members. About 19% of Hondurans deported from the United States in FY2008 were removed on criminal grounds.¹²²

Drug Trafficking

Honduras is a transit country for cocaine and heroin flowing from the Andean region of South America to the United States and Europe. It is also increasingly a transshipment point for precursor chemicals used in the production of methamphetamine. Remote and poorly controlled areas of Honduras along the country's north coast are natural safe havens for drug traffickers, providing them with isolated areas for trafficking operations, such as refueling maritime assets and making boat-to-boat transfers.

The U.S. State Department's 2009 International Narcotics Control Strategy Report acknowledges the government of Honduras for its ongoing cooperation with the United States on counternarcotics efforts, noting that successful joint operations led to an increase in narcotics arrests and seizures. In 2008, the government of Honduras seized 6.5 metric tons of cocaine, 2 kilograms of crack cocaine, 19.6 kilograms of heroin, 3 metric tons of marijuana, 3.5 million pseudoephedrine pills, and over five tons of precursor chemicals. These seizures also led to 721 arrests and the confiscation of \$6.7 million in assets. The United States has supported a variety of anticorruption, police training, and maritime operations programs intended to improve Honduras' counternarcotics capabilities.¹²³

Honduras' counternarcotics efforts continue to face a number of obstacles, however, including funding constraints, official corruption, and insufficient precursor chemical controls. Additionally, Mexican drug cartels have expanded their operations in Honduras. It has been reported that the Gulf and Sinaloa cartels now engage in direct and indirect operations within Honduras, especially along the northern and Atlantic coast, and that Los Zetas have cells in every department of the country.¹²⁴

In October 2008, President Zelaya became the first Latin American president to openly suggest the legalization of narcotics. He argued that drug trafficking has led to increased violence and that

¹²⁰ Ana Arana, "How the Street Gangs Took Central America," *Foreign Affairs*, May/June 2005.

¹²¹ United Nations Office on Drugs and Crime (UNODC), *Crime and Development in Central America: Caught in the Crossfire*, May 2007.

¹²² Information Provided to CRS by the Department of Homeland Security, Immigration and Customs Enforcement, Office of Detention and Removal.

¹²³ U.S. Department of State Bureau for International Narcotics and Law Enforcement Affairs, "2009 International Narcotics Control Strategy Report (INCSR)," February 27, 2009.

¹²⁴ "Carteles mexicanas azotan a Honduras," *La Prensa* (Honduras), August 27, 2008; "Los Zetas hondureños, nueva pesadilla para los inmigrantes," *El Tiempo* (Honduras), March 18, 2009.

supporting addict treatment programs would be a better use of the government's resources.¹²⁵ Nonetheless, Honduras has continued its counternarcotics efforts. In January 2009, President Zelaya signed a letter of agreement with the United States to implement the Mérida Initiative, and in February 2009, the United States began construction on a counternarcotics base in the Honduran department of Gracias a Dios, which borders Nicaragua and the Caribbean and is a major corridor for traffickers.

Human Trafficking

According to the State Department's 2009 Trafficking in Persons (TIP) Report, Honduras is primarily a source and transit country for women and children trafficked for the purpose of commercial sexual exploitation. Many victims are trafficked from rural areas to tourist and urban locales such as Tegucigalpa, San Pedro Sula, and the Bay Islands. Destination countries for trafficked Honduran women and children include the United States, Mexico, Guatemala, El Salvador, and Belize. There are also foreign victims of commercial sexual exploitation in Honduras, most having been trafficked from neighboring countries, including economic migrants en route to the United States.

While the State Department maintains that Honduras does not fully comply with the minimum standards for the elimination of trafficking, it notes that the government is making significant efforts to do so. As a result, Honduras is considered a so-called "Tier 2" country. The report recognizes the Honduran government's increased efforts to investigate trafficking. While Honduras opened just 24 trafficking-related investigations in 2006, and 74 in 2007, it opened 82 investigations in 2008, leading to 18 prosecutions and 11 convictions. The report also recognized some progress in trafficking protection and prevention. In addition to training police to better identify trafficking victims, the Honduran government trained 500 tourism sector workers in trafficking prevention. Nonetheless, the report indicates a number of areas in which Honduras can do more to combat trafficking. It recommends that the Honduran government increase its shelter aid and victims services, amend anti-trafficking laws to prohibit labor trafficking, continue raising public awareness, and increase criminal investigations—including investigations of corrupt public officials involved in trafficking activities.¹²⁶

Port Security

Honduras and the United States have cooperated extensively on port security. For the United States, port security emerged as an important element of homeland security in the aftermath of the September 11, 2001, terrorist attacks. Honduras views such cooperation as important in order to ensure the speedy export of its products to the United States, which in turn could increase U.S. investment in the country.

In March 2006, U.S. officials announced the inclusion of the largest port in Honduras, Puerto Cortés, in the U.S. Container Security Initiative (CSI). CSI is operated by the U.S. Customs and Border Protection (CBP) of the Department of Homeland Security, and uses a security regime to ensure that all containers that pose a potential risk for terrorism are identified and inspected at

¹²⁵ "Honduras floats drug legalisation," *Latin News Daily*, October 14, 2008.

¹²⁶ U.S. Department of State, Office to Monitor and Combat Trafficking in Persons, "Trafficking in Persons Report," June 2008 and June 2009.

foreign ports before they are placed on vessels destined for the United States. Honduras also participates in the Department of Energy's Megaports Initiative, which supplies ports with equipment capable of detecting nuclear or radioactive materials, and the Secure Freight Initiative (SFI), which deploys equipment capable of scanning containers for radiation and information risk factors before they are allowed to depart for the United States. Puerto Cortés was one of six ports around the world chosen to be part of the first phase of the SFI.¹²⁷

¹²⁷ U.S. Department of Homeland Security, "DHS and DOE Launch Secure Freight Initiative," Press Release, December 7, 2006, and "Secure Freight Initiative Becomes Fully Operational in United Kingdom, Pakistan, and Honduras," Press Release, October 12, 2007.

Appendix. Chronology of the 2009 Political Crisis

On March 23, 2009, President Zelaya announced an executive decree—which was never officially published—calling for a popular referendum on June 28 on whether to include a fourth ballot box during the November 2009 general elections. The fourth ballot would consult Hondurans about whether the country should convoke a national constituent assembly to approve a new constitution.

On May 26, 2009, President Zelaya issued two executive decrees that were officially published on June 25, 2009. One annulled the March 23 decree. The other called for a non-binding referendum on June 28 on whether to include a fourth ballot box during the November 2009 general elections in which Hondurans could choose to convoke a national constituent assembly.

On May 27, 2009, a Honduran lower court judge ordered the suspension of the referendum that President Zelaya proposed on March 23.

On May 29, 2009, a Honduran lower court judge issued an order clarifying that the May 27 ruling applied to any other executive decree that would lead to the same ends as the suspended decree. On the same day, President Zelaya ordered the Honduran military and police to provide logistical support for the proposed referendum.

On June 16, 2009, a Honduran Appeals Court upheld the lower court ruling that declared President Zelaya's proposed non-binding referendum illegal.

On June 19, 2009, the Honduran Supreme Court ordered the Honduran security forces not to provide any support for the proposed non-binding referendum.

On June 23, 2009, the Honduran Congress passed a plebiscite and referendum law that prevents referenda from occurring within 180 days of a general election.

On June 24, 2009, President Zelaya asked for the resignations of the Chairman of the Joint Chiefs of Staff and the Defense Minister after they refused to provide logistical support for the proposed non-binding referendum.

On June 25, 2009, the Honduran Supreme Court ruled that the Chairman of the Joint Chiefs of Staff and the Defense Minister should remain in their positions despite Zelaya's request for their resignations. On the same day, Zelaya and a group of supporters removed referendum materials from an air force base in Tegucigalpa.

On June 26, 2009, the Organization of American States (OAS) adopted a resolution offering support for the preservation of democratic institutions and the rule of law in Honduras, and calling on all social and political actors to maintain social peace and prevent the rupture of the constitutional order.

On June 28, 2009, shortly before the polls were to open for the non-binding referendum, the Honduran military arrested President Zelaya, flew him to Costa Rica, and seized all referendum materials. The Honduran Supreme Court indicated that an arrest warrant had previously been issued for the deposed president, and the National Congress replaced Zelaya with the President of Congress, Roberto Micheletti. The United States and governments around the world condemned the action and called for President Zelaya's reinstatement.

On July 1, 2009, the OAS adopted a resolution that would suspend Honduras' membership in the organization if the country failed to restore President Zelaya to power within three days. On the same day, the United Nations General Assembly adopted a resolution condemning Zelaya's ouster and calling for his immediate return, U.S. Southern Command ordered U.S. troops to minimize contact with the Honduran military, and the Honduran National Congress suspended a number of constitutional rights—such as the freedom of association and the freedom of movement—during curfew hours.

On July 2, 2009, the U.S. State Department announced it would suspend foreign assistance programs to Honduras that it would be legally required to terminate should it declare the events in Honduras a “military coup.”

On July 4, 2009, the OAS unanimously voted to suspend Honduras for an unconstitutional interruption of the democratic order in accordance with Article 21 of the Inter-American Democratic Charter and the OAS resolution adopted three days earlier.

On July 5, 2009, Zelaya attempted to return to Honduras but the Micheletti government prevented his plane from landing.

On July 7, 2009, Zelaya met with U.S. Secretary of State Hillary Clinton in Washington, DC. Following their meeting, Secretary Clinton announced that Zelaya and Micheletti had agreed to engage in negotiations mediated by Costa Rican President Oscar Arias.

On July 9, 2009, Zelaya and Micheletti met separately with President Arias in Costa Rica to discuss a solution to the situation in Honduras. Zelaya and Micheletti never spoke face to face, and left the country after the meetings, designating representatives to continue negotiations.

On July 18, 2009, Costa Rican President Oscar Arias proposed a seven-point plan to end the political conflict in Honduras. While the plan was agreed to in principle by Zelaya's representatives, it was rejected by Micheletti.

On July 22, 2009, Costa Rican President Oscar Arias modified his previously rejected proposal and offered a 12-point plan, known as the San José Accord, to resolve the Honduran political crisis. Zelaya accepted the plan, and Micheletti's negotiation team said it would take the proposal back to the independent branches of government in Honduras to consider.

On July 24, 2009, exiled President Manuel Zelaya briefly crossed the Nicaraguan border, entering Honduras for the first time since his June 28 removal.

On July 28, 2009, the U.S. Department of State announced that it had revoked the diplomatic visas of four members of the Honduran government and is reviewing the visas of others.

On August 21, 2009, the Inter-American Commission on Human Rights (IACHR) concluded a five-day visit to Honduras. The Commission—which met with representatives of the Micheletti government, representatives of various sectors of civil society, and more than 100 individuals—“confirmed the existence of a pattern of disproportionate use of public force on the part of police and military forces, arbitrary detentions, and the control of information aimed at limiting political participation by a sector of the citizenry.”

On August 23, 2009, the Honduran Supreme Court issued a statement in opposition to several provisions of the San José Accord.

On August 25, 2009, a delegation of foreign ministers from the OAS left Honduras after a three-day mission that failed to convince the Micheletti government to accept the San José Accord. On the same day, the U.S. State Department announced that it was suspending non-emergency, non-immigrant visa services in the consular section of the embassy in Honduras.

On August 31, 2009, the electoral campaign for the November 29, 2009, general elections in Honduras officially commenced.

On September 3, 2009, exiled President Manuel Zelaya met with U.S. Secretary of State Hillary Clinton. On the same day, the U.S. State Department announced that it was terminating nearly \$22 million in previously suspended foreign assistance to Honduras, revoking the visas of some members and supporters of the Micheletti government, and would be unable to support the outcome of the November elections under the existing conditions

On September 9, 2009, the Millennium Challenge Corporation terminated two transportation projects totaling \$11 million from its compact with Honduras and put another \$4 million on hold.

On September 21, 2009, President Manuel Zelaya revealed that he had returned to Honduras and was sheltered in the Brazilian embassy in the capital, Tegucigalpa.

On September 25, 2009, the United Nations Security Council condemned acts of intimidation against the Brazilian embassy by the Honduran military.

On September 26, 2009, the Micheletti government published a decree—dated September 22, 2009—that declared a state of siege and suspended a number of basic civil liberties for 45 days. The decree suspended freedom of the press and freedom of movement, required police or military authorization for public meetings, and allowed for detention without a warrant.

On September 27, 2009, Honduras expelled four diplomats from the OAS who formed part of an advance team planning a visit of foreign ministers from the region. On the same day, the Micheletti government warned Brazil that it would strip its embassy of diplomatic status if Brazil did not grant Zelaya political asylum or hand him over to Honduran authorities within 10 days.

On September 28, 2009, the Honduran military shut down Radio Globo and television Channel 36, two of the principal sources of media opposition to the Micheletti government.

On October 7, 2009 the Micheletti government issued a decree allowing it to revoke or cancel the licenses of any media outlet “fomenting social anarchy.” On the same day, a new round of talks between Micheletti and Zelaya were initiated under the guidance of the OAS.

On October 19, 2009, the Micheletti government formally revoked the state of siege that entered into force on September 26, allowing Radio Globo and television Channel 36 to return to the air.

On October 28, 2009, then U.S. Assistant Secretary of State for Western Hemisphere Affairs, Thomas Shannon, and the National Security Council’s director for the Western Hemisphere, Dan Restrepo, traveled to Honduras to restart dialogue between Zelaya and Micheletti.

On October 30, 2009, Micheletti and Zelaya signed an agreement designed to end the political crisis in Honduras known as the “Tegucigalpa/San José Accord”

On November 2, 2009, a four-member verification commission intended to ensure implementation of the accord, including two members appointed by the OAS and two members appointed by Zelaya and Micheletti, was created.

On November 4, 2009, the executive council of the Honduran National Congress voted to solicit non-binding legal opinions on Zelaya's restitution from the Supreme Court and other Honduran institutions and postponed convening an extraordinary session of Congress to consider the matter until it receives the responses.

On November 5, 2009, Micheletti named a "national unity and reconciliation government" headed by himself, which Zelaya and his supporters refused to recognize.

On November 8, 2009, members of the "National Resistance Front Against the Coup d'état," including independent presidential candidate Carlos Reyes, announced that they will boycott the elections scheduled to be held on November 29, 2009. They asserted that a fair election cannot be held given the conditions under which the campaign has been conducted, and the fact that Zelaya had yet to be restored to office with the vote less than three weeks away.

On November 10, 2009 the Honduran Human Rights Ombudsman submitted a non-binding report to Congress concerning the potential restoration of Zelaya.

On November 11, 2009, the Honduran Supreme Court appointed a five judge committee to draft a non-binding opinion regarding Zelaya's possible restitution.

On November 14, 2009, Zelaya released a letter to President Obama that announced that he is no longer willing to recognize the November 29 elections nor accept any reinstatement deal. Zelaya clarified that while he has not renounced the presidency, restitution at this point would effectively serve to legitimize the June 28 ouster.

On November 16, 2009, the Attorney General of Honduras submitted a non-binding opinion to Congress regarding the possible reinstatement of Zelaya.

On November 17, 2009, the President of the Honduran National Congress announced that a special legislative session would be convoked on December 2, 2009 (three days after the election), to consider the restoration of Zelaya.

On November 19, 2009, Micheletti announced that he may temporarily halt the "exercise of [his] public duties" between November 25 and December 2, in order to ensure that "the attention of all Hondurans is concentrated on the electoral process and not the political crisis." Micheletti asserted that he would reassume his duties immediately should there be any threat to order or security. On the same day, Zelaya called for the elections to be postponed until he is restored to office in order to grant them legitimacy.

Author Contact Information

Peter J. Meyer
Analyst in Latin American Affairs
pmeyer@crs.loc.gov, 7-5474