

TESTIMONY OF  
CRAIG A. KELLY  
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF STATE  
BUREAU OF WESTERN HEMISPHERE AFFAIRS  
DEPARTMENT OF STATE  
BEFORE  
SUBCOMMITTEE ON THE WESTERN HEMISPHERE  
COMMITTEE ON FOREIGN AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
MARCH 18, 2010

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear before this Committee today to discuss developments in Honduras and the U.S. response. Honduras has come a long way since a coup ousted the democratically elected government of former President Jose Manuel Zelaya last June, and the United States can be proud of the leading role it played, under the leadership of President Obama and Secretary Clinton, in helping to restore constitutional and democratic governance there. In Honduras, we helped to strengthen the “collective defense of democracy” as a cornerstone of the Inter-American system. My remarks will focus on U.S. policy in Honduras, Honduran President Lobo’s accomplishments since taking office six weeks ago, our plans to resume U.S. assistance to the Government of Honduras, next steps to reintegrate Honduras into the Inter-American community, and the challenges ahead for Honduras.

**U.S. policy on Honduras**

Even before the June 28 coup, the United States was concerned about the increasing polarization in Honduran politics that diverted attention and resources away from efforts to deal with widespread poverty and crime in the country. We consistently urged former President Zelaya and his opponents to resolve their differences peacefully in accordance with the constitution. In fact, at their invitation, Ambassador Llorens facilitated dialogue among the various leaders and institutions that helped defuse several potential political crises. At the OAS, we supported a resolution passed on June 26 calling for all parties to respect democratic institutions in Honduras and restating our support for Honduran democracy. The resolution tasked the Secretary General with leading a team to Honduras to help resolve the growing crisis. Unfortunately, a series of events

surrounding President Zelaya's attempt to hold a poll on whether to consider amending the Honduran Constitution led to his forcible removal on June 28, an act that fundamentally disrupted democratic order in Honduras. Following the coup, the United States pursued a principled policy, consistent with our unwavering support for democracy, the rule of law, and respect for human rights, and was among the first in the international community to condemn the coup. The United States supported UN and Organization of American States (OAS) resolutions adopted shortly after the coup that called for the reinstatement of President Zelaya. We supported the July 4 OAS resolution backed by the Zelaya government suspending Honduras' membership in the OAS. Secretary Clinton publicly welcomed the willingness of President Arias of Costa Rica to work with President Zelaya and the de facto regime to find a peaceful resolution that would restore democratic, constitutional order. Our careful implementation of this policy included targeted sanctions against the de facto government, including termination of approximately USD 37 million in U.S. foreign assistance and suspension of visas for de facto officials and their key supporters, as well as engagement with key elements in Honduran society to promote dialogue and a peaceful resolution. Although we did not recognize the de facto regime, we maintained a dialogue with political actors in Honduras and in the region—including key representatives of the de facto regime—in the effort to help the Hondurans resolve the crisis. Despite some public complaints from both sides, the United States was generally acknowledged by all involved to have been an honest broker with a good understanding of the crisis.

The discussions facilitated by President Arias led to a national dialogue in Honduras last fall known as the Guaymuras Dialogue, which the OAS facilitated. This positive development gave the Hondurans more ownership of the problem and led to progress in reaching a solution. At a critical point in the negotiations between representatives of President Zelaya and the de facto regime, Secretary Clinton sent a team from the United States to help finalize the Tegucigalpa-San Jose Accord, a commitment signed by both sides that established a framework for Honduras' return to democracy. A year-long electoral process begun prior to the coup culminated on November 29 when the Honduran people voted in an election considered by Hondurans and international observers as generally free and fair. The Honduran election marked an important milestone in the process to restore democratic and constitutional order, but not the end of that process. Following his victory, then President-elect Lobo expressed his intention to promote national reconciliation, fulfill the remaining elements of the Tegucigalpa/San Jose Accord, and tackle Honduras' economic and social problems.

### **President Lobo's Actions in Office**

Since President Lobo took office on January 27, he has taken important steps to promote a national unity government and to establish a truth commission, as set forth in the Tegucigalpa/San Jose Accord. His government includes a broad spectrum of Hondurans, including cabinet-level representation of all five established political parties. To foster national reconciliation and solidify democratic processes, President Lobo has taken the following actions:

- Signed legislation on his first day in office granting amnesty for certain crimes committed between January 1, 2008 and January 27, 2010.
- Resolved the impasse created by former President Manuel Zelaya's presence in the Brazilian embassy by granting him safe passage to the Dominican Republic.
- Took steps to establish the truth commission by appointing former Guatemalan Vice President Eduardo Stein as its coordinator and one of its three international members. The truth commission is expected to launch at the end of this month and take about six months to complete its fact-finding responsibilities, which will include documenting alleged human rights violations related to the coup and its aftermath.
- Appointed a new civilian defense minister, Marlon Pascua, a new chief of the joint staff, General Carlos Cuellar, and replaced the top military commanders associated with the coup and the de facto regime. By establishing a break from Honduras' immediate past, these appointments were a critical step toward strengthening democracy in Honduras.
- Signed the Chapultepec Declaration, which commits state signatories to respect freedom of press and expression and to defend human rights.
- Pledged his government would fully investigate all alleged human rights violations committed during the period of the de facto regime, as well as more recently.

### **U.S. Assistance**

The United States strongly supports President Lobo's actions to promote national reconciliation, implement the Tegucigalpa-San Jose Accord, and tackle Honduras' serious political, economic, and social challenges. As Secretary Clinton has stated, a democratically elected government headed by President Lobo has taken office in Honduras and democratic, constitutional governance has been restored. These conditions, including President Lobo's actions since taking office—most notably the significant progress he has made in establishing the truth commission, as set forth in the Tegucigalpa-San Jose Accord, and in fostering national reconciliation—met the United States' requirements for restoring foreign assistance to the Government of Honduras, terminated in September 2009.

Accordingly, the United States is resuming assistance to the Government of Honduras. We expect this assistance will promote economic and social development, strengthen democratic institutions and respect for human rights, and enhance Honduras' capacity to combat crime and drug trafficking. We anticipate restoring most of the assistance terminated last September.

Our traditionally robust engagement with the military forces of Honduras was put on hold following the coup. Reengagement with the Honduran military is an important element in our strategy to work again with the Honduran government, and will be conducted in a deliberate and focused manner. While we will need to cooperate in key areas such as combating narcotics trafficking, we will continue to signal our strong disapproval of the military's role in the removal of President Zelaya. It is imperative that our military cooperation programs advance our aim of developing a professional and non-political military in Honduras.

### **Reintegration of Honduras into the Inter-American Community**

Honduras already has been reintegrated into the International Monetary Fund, the World Bank, and the Central American Bank of Economic Integration. The next major step is to build support among the OAS membership to lift Honduras' suspension, as well as re integrate the country into the Inter-American Development Bank, and we are fully supportive of these efforts. Lifting the suspension in the OAS requires a two-thirds vote of the Member States in the General Assembly (GA). The Central American leaders who met with Secretary Clinton in Guatemala last week (Nicaragua was not present) agreed to work together to schedule a special session of the OAS GA for that purpose. The OAS membership will likely look to Honduras' Central American neighbors for leadership on this matter.

### **Beyond the Crisis**

As Secretary Clinton stated on March 4 in Costa Rica, we believe President Lobo has taken the necessary steps to restore democracy. We share the condemnation of the coup that occurred, but we are proud to have worked with the Hondurans and regional actors to resolve the crisis. Now, it is time to move forward and help Honduras face other daunting challenges. These challenges include improving the human-rights climate; combating high levels of corruption, crime, and drug trafficking; and promoting and implementing social and economic reforms to reduce poverty and inequality levels that are among the highest in the hemisphere. In addition, Honduras faces a severe economic crisis, which could further destabilize the country, if foreign assistance by the United States, other nations, and international institutions is not restarted.

We are working closely with President Lobo regarding allegations of serious human-rights abuses and reports that persons have been targeted for their political views. On March 4, the Honduran Secretary of State for Security publicly expressed his commitment to the full investigation, including through the establishment of a special investigative team, of recent cases of alleged politically motivated crimes. The United States, through our embassy in Tegucigalpa, will continue to monitor closely the human-rights situation in Honduras and will work with President Lobo's government to ensure strengthened respect for human rights and accountability with respect to those who committed abuses during the period of the de facto regime and afterwards.

Now that a democratically elected president is in office, the United States will intensify its cooperation with the government of Honduras in the areas of counternarcotics and law enforcement. The collaborative efforts and coordination begun under the auspices of the Central American Regional Security Initiative (formerly the Merida initiative – Central America) will enhance the effectiveness of the police through capacity-building and encourage reforms in the security sector, with an emphasis on modernizing prisons, engaging civil society in economic and social programming, working to prevent gang activity, and rehabilitating and reinserting former gang members into society.

We plan to engage closely with the Lobo Administration to raise the living standards of Honduras' poor. The Honduran government plans to implement a new conditional cash transfer program for families, improve the educational system, and improve the poor citizen-security climate. Also, the Honduran government would like to channel some remittances toward investment rather than consumption.

Mr. Chairman, we are not going back to business as usual in Honduras. However, it is time to move forward and assist the new government in making a more concerted effort toward establishing honest, transparent, inclusive, and accountable governance institutions, and to ensure that another break in the country's democratic order never happens again. The United States has deep and abiding interests in Honduras, and we will continue to work closely with the government and people there as they strive to build a better future.

Let me close with an example of how Honduras can help achieve the goals all of us seek in the region. I accompanied Secretary Clinton to the March 4 Ministerial of the Pathways to Prosperity Initiative held in Costa Rica. Honduras participated actively in that Ministerial and in fact leads one of the four groups that

work to fulfill the Pathways goals of ensuring that increased trade leads to more opportunity for all inhabitants in the Americas, particularly those who have been marginalized. Given the key role that Honduras' ports and roads play in facilitating commerce in Central America, Honduras' participation in broader regional initiatives like Pathways demonstrates the important contribution it can and should be allowed to make to promoting inclusive and sustainable economic growth throughout the region.