

Honduras 2010: The Current Climate



The Zelaya Presidency 2006 - 2009

- Zelaya won a hotly-contested election in November 2005 with a majority of 75,000 votes.
- He was arrested June 2009 in a coup and flown out of the country (the day before a vote on a reform to allow him to run for a second term in the planned Nov 2009 elections). The Supreme Court had ordered his arrest.
- Roberto Micheletti Bain, also a member of the Liberal Party of Honduras, was sworn in as acting President by the National Congress for a term that ended January 27, 2010 (swearing in date of new president) Micheletti had been Speaker of Congress.



June to November 2009

- July 5, Zelaya tried to return to Honduras and plane was blocked from landing.
 - July 25, Zelaya crossed into Honduras on foot from Nicaragua, where he was living in exile. He was quickly forced out.
 - September 2009: Zelaya returned to Honduras, appearing in the Brazilian embassy in Tegucigalpa.
 - September – October, continued protests to reinstate Zelaya.
 - An emergency decree was set up: this suspended civil liberties and shut down radio stations loyal to Zelaya which was lifted soon after.
 - November 2009: Presidential elections held—some incidents reported, but overall voting was smooth.
-

As of March 2010:

International Community Response

- On January 27th 2010, President-Elect Porfirio “Pepe” Lobo was sworn in as President of Honduras for a four year term. At this ceremony, there were only three presidents in attendance from the Dominican Republic, Panama, and Taiwan.
 - Since then, Honduras has regained international recognition of its government from more than 40 countries, including: the United States of America, Canada, Colombia, Costa Rica, El Salvador, France, Germany, Guatemala, Israel, Mexico, Spain and Turkey.
 - International Financial Institutions like the World Bank Group, the Inter American Development Bank (IADB) and the Central American Bank of Economic Integration (CABEI) also normalized their relationship with the Honduran government, private sector and other local actors.
 - Honduras received about one billion dollars in loans, humanitarian aid and fuel each year before the coup, around one fifth of its national budget.
-

As of March 2010: Governance

- Honduras' three branches of government are working in full force: the judicial branch, represented by the Supreme Court which was elected March 2009; the legislative branch, represented by the Honduran Congress and its 128 *diputados* (congressmen) sworn in January 25th 2010; and the executive branch, represented by the President and his Cabinet.
 - Government activity has been very proactive, implementing security & fiscal austerity policies. Most interestingly, the new government proposed and enacted into law a *Plan de Nación* (Country Plan) in which all government actors, civil society, and the general population would work together to meet long term (24 years) goals in hopes of making Honduras a more prosperous nation.
-

As of March 2010: Political Stability

- The tense political atmosphere has calmed somewhat after free, fair and transparent elections on November 29th 2009 and the resulting installation of new government authorities on January 27th this year.
- There are small fragments of the population that maintain their political activism in favor of or against ex President Manuel Zelaya: those that want him to come back and once again run for office, and those that want to bring him back to face the tribunals and the legal charges presented against him.



As of March 2010: Investment Climate

- As a result of a peaceful election and the new government in place, Honduras is attracting a significant amount of potential investors seeking to benefit from a possible “rebound effect” in the Honduran economy.
 - Banks are eager to loan and investment firms are ready to profit from the Honduran energy market.
 - In the past two months, AHPPER organized a series of business rounds between developers, local banks, local and international investment firms, venture capitalists, international financial institutions and international carbon credit brokers.
-

As of March 2010: Energy Updates

- The *Plan de Nación* section on energy estimates that by the year 2034, Honduras' energy production should be at least 80% from renewable energy sources (at this time mainly hydro, biomass, but some wind and geothermal are coming online).
 - Additionally, the state-owned electricity company ENEE (*Empresa Nacional de Energia Electrica*), is in the final stage of awarding an energy production bid of 250MW, in which nearly 50 companies are expected to invest nearly \$700 million the next five years once this bid and the final PPAs are completed.
 - CABEL is actively approaching renewable energy developers, banks and government entities to accelerate investments in hydroelectric power plants.
 - The World Bank, through the project "Upscaling Renewable Energy in Low Income Countries" assigned \$250,000,000 in investments for Nicaragua and Honduras alone. Elsia Paz was invited to the World Bank's headquarters in Washington, D.C. to represent Honduras and will travel to the Philippines to showcase AHPPER's work (travel funded by the World Bank).
-

Energy Statistics

- About half of the electricity sector in Honduras is privately owned. The remaining generation capacity is run by ENEE (*Empresa Nacional de Energía Eléctrica*).
- Electricity coverage (2007)
 - 69% of Hondurans have access to electricity (country total)
 - 94% of people in urban areas have access to electricity.
 - 45% of people in rural areas have access to electricity.
- Fossil Energy: 62%
- Renewable Energy: 38% (34% of which is hydro)

(above Honduran Energy statistics from the ENEE)
