

9-10-2009

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Recommended Citation

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Honduras' De Facto Regime Passes A Budget As The International Community Cuts Off Financing Sources

by LADB Staff

Category/Department: Honduras

Published: Thursday, September 10, 2009

The de facto Roberto Micheletti regime in Honduras is proceeding internally as if it were a legitimate government, this week passing the 2010 budget through the legislature. Finance Minister Gabriela Nunez announced a package priced at the equivalent of US\$6.3 billion. The breakdown gives the central government US\$3.58 billion, while decentralized institutions get to spend US\$2.72 billion. The amount is 5.9% higher than the 2009 budget promulgated by the elected government of President Manuel Zelaya. Zelaya remains in exile following his ouster by coup on June 28. Where the money will come from is another matter. Funding sources have barred their doors to the Micheletti forces in a concerted effort to get them to step away and allow the elected president to return to office, albeit under a negotiated process that will rob him of many of the traditional powers until his term ends in January. The latest door to slam was that of the International Monetary Fund (IMF), which ruled Sept. 9 that Micheletti could not access the US\$165 million loan approved Aug. 28. This was especially painful because the regime announced the aid package as a marker of its legitimacy. Banco Central president Edwin Araque announced that only the official government could enter into negotiations with the IMF for release of the money. In this, the IMF follows the Inter-American Development Bank (IDB), the Banco Interamericano de Desarrollo (BID), and the World Bank in just saying "no" to the coup. Last week the US joined the other countries of the world that had long since cut off bilateral aid. The de facto government has the support of the Honduran upper class, the Army, and the Corte Suprema de Justicia (CSJ), but none of these is thought to have much patience with a government that has no money. On the other hand, it does not need very much patience. The Micheletti strategy calls for holding out just long enough to elect another government. The international community, however, is united around not recognizing the new government if the election occurs under regime auspices. Minister Nunez said she expects the budget to be financed by taxes and transfers of funds from state enterprises like telecommunications and port authority. She said some money would be coming from international sources but declined to name them. She expects the budget to be revised by the incoming government. No progress on Zelaya return. The international community, despite protestations to the contrary, appears resigned to letting Micheletti control the clock. After the Organization of American States (OAS) mission failed to return democratic rule to Honduras last week (see NotiCen, 2009-09-03), Secretary-General Jose Miguel Insulza failed to make good on a commitment to try again. The virtually powerless Insulza admitted to the media he had no idea why there had been no agreement not only with the regime in Honduras but even among OAS member states. Away from the OAS, governments support Zelaya's return and an end to the coup at every opportunity. The latest took place in Brasilia Sept. 9, after a meeting between Brazil's President Luiz Inacio Lula da Silva and visiting President Mauricio Funes of El Salvador. The presidents reiterated their rejection of the "retroceso democratico," their promise not to recognize the incoming government, and their unity with the OAS, the Southern Cone Common Market (MERCOSUR), the Union de Naciones Suramericanas (UNASUR), and the US, but, in the end, neither South America's largest economy nor Honduras' close neighbor said they would do anything concrete about it.

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