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Report to Congressional Requesters

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NICARAGUAN RESISTANCE

Programs for Repatriation and Resettlement

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The Honorable Robert C. Byrd
Chairman, Committee on Appropriations
United States Senate

The Honorable Claiborne Pell
Chairman, Committee on Foreign Relations
United States Senate

The Honorable Harry M. Reid
United States Senate

The Honorable Jamie L. Whitten
Chairman, Committee on Appropriations
House of Representatives

The Honorable Dante B. Fascell
Chairman, Committee on Foreign Affairs
House of Representatives

The Honorable Duncan Hunter
House of Representatives

This report provides information on U.S.-funded international programs to demobilize, repatriate, and resettle members of the Nicaraguan Resistance. On May 25, 1990, Congress provided $30 million for these international programs and required that we report on the effectiveness of this assistance. This report responds to that requirement, and to specific concerns raised by Senator Reid and Congressman Hunter about the adequacy of food, medical care, and repatriation assistance provided to former Resistance members and their dependents.

We are sending copies of this report to the Secretary of State and the Administrator of the Agency for International Development. We will also make copies available to other interested parties upon request.

Please call me on (202) 275-5790 if you or your staff have any questions. The major contributors to this report are listed in appendix I.

Harold J. Johnson
Director, Foreign Economic
Assistance Issues

Executive Summary

Purpose

In May 1990, the Congress appropriated $30 million to support the voluntary demobilization, repatriation, and resettlement of the Nicaraguan Resistance, and specified that the assistance be provided through a commission formed by the United Nations (UN) and the Organization of American States (OAS). Additional funding will bring the total assistance to $43.3 million by July 1991.

The legislation requires GAO to report on assistance provided under the act. In addition, Senator Harry M. Reid and Congressman Duncan Hunter requested that GAO investigate allegations concerning the adequacy of food and medical care provided to the Resistance while in Honduras awaiting repatriation. Specifically, GAO reviewed

- whether the U.S.-funded U.N. program, which ended in December 1990, had provided adequate food and repatriation assistance;
- whether repatriated Resistance members, assisted by the OAS, were able to achieve self-sufficiency in Nicaragua;
- the success of the repatriation and resettlement programs in achieving their objectives, as of February 1991; and
- the extent to which U.S. officials monitored the programs.

GAO did not review the UN activities in Costa Rica because the programs there were small and most former combatants in Costa Rica did not repatriate to Nicaragua. Also, GAO did not visit the Atlantic coastal regions of Honduras or Nicaragua.

Background

In September 1989, the Secretaries General of the UN and OAS created a joint commission to support the voluntary demobilization and repatriation of the Nicaraguan Resistance and their dependents. The Secretaries General made worldwide appeals for funds, but only the United States responded. The UN component of the joint commission undertook the repatriation of demobilized combatants and dependents from Honduras and Costa Rica and provided them with food and medical care while they waited to be repatriated. The OAS component assisted the Resistance during demobilization, established reception centers in Nicaragua, and implemented a program to help them become self-sufficient.

Results in Brief

U.S., Honduran, and Resistance officials agreed that the UN repatriation program successfully met its primary objective of repatriating as many demobilized combatants and dependents from Honduras as chose to be repatriated. Although there were indications of some malnutrition, independent experts found that the extent of malnutrition was similar to that of the general populations of Honduras and Nicaragua. Signs of

malnutrition were attributed primarily to diseases and not to lack of food. U.S. and Honduran health officials who inspected the UN-assisted camps concluded that, after resolving pre-existing sanitation problems that contributed to high death rates among children, the UN did provide adequate health care to eligible beneficiaries.

Because most former combatants did not achieve self-sufficiency in Nicaragua within the time frame originally anticipated, the OAS resettlement program was extended to July 31, 1991.

The Department of State and the Agency for International Development (AID) established an interagency steering committee to fund, coordinate, and oversee program activities. The committee received information on the UN and OAS programs in a variety of ways, but it did not receive periodic reports on the progress of their programs. Consequently, the committee did not have specific information on program activities, such as the number of beneficiaries that had achieved self-sufficiency or the number still requiring assistance, when it authorized a $10 million extension through July 31, 1991.

Principal Findings

Food Distribution

The UN provided food to two groups in Honduras; a "full" ration of 2,200 calories per day to about 6,000 beneficiaries who depended completely on the UN for their food needs, and a "supplemental" ration to about 30,000 beneficiaries who had become integrated into Honduran society and were believed to have access to other food sources. The UN considered its full ration to be adequate because it exceeded the 2,000 calories per day that it recommends for long-term feeding programs and because it had been providing this ration for several years to Nicaraguan refugees living in UN-assisted camps.

Delivery receipts show that the UN provided adequate food in bulk to Resistance commanders to distribute a full ration to eligible beneficiaries. However, food was cooked in communal kitchens and there is no documentation to show whether individual beneficiaries received their full rations. Numerous sources in Honduras told GAO that food was stolen, sold, and shared with ineligible individuals. Consequently, individual beneficiaries may not have received adequate food.

Initially, the UN knew little about the needs of those who were to receive a supplemental ration. Before UN involvement, AID had provided supplemental food to dependents identified by the Resistance, but the UN did

not know how many dependents were in Honduras, where they were living, or how much food they needed. As a result, the UN initially provided the same ration previously provided by AID. The UN changed the supplemental food package twice—once to make it more equitable for all recipients and later to reflect changes in their economic circumstances. Neither change was based on a review of the food needs of this population. Reports on the health of these beneficiaries immediately following their repatriation indicate that some were malnourished, although independent experts concluded that their condition was generally no worse than those living in Nicaragua.

Medical Care Program

The UN provided basic medical care to about 4,000 beneficiaries. A series of events preceding the UN program, including a breakdown of outreach medical services, poor sanitation, and overcrowded conditions, contributed to a high mortality rate among infants and young children during the early months of the UN program. Independent health care experts who evaluated the health of children in UN-assisted camps found that, after improving sanitation and resuming outreach services, the UN health care system was adequate.

Repatriation Program

The UN's repatriation program began 6 weeks later than expected because of (1) delays in the Resistance demobilization in Nicaragua, (2) delays by the Nicaraguan government in documenting those who wanted to repatriate, and (3) the Resistance's reluctance to repatriate their dependents before security concerns were resolved. It ended later than planned because some Resistance families wanted their children to finish the school year before returning to Nicaragua. The UN registered about 37,000 beneficiaries in Honduras, but only 18,700 repatriated through the program. U.S., UN, Honduran, and Resistance officials did not know what happened to the remaining 18,300 individuals, but thought that some may have decided to remain in Honduras, some repatriated on their own, and some were fictitious registrations.

OAS Resettlement Programs

The OAS resettlement program was expected to assist about 60,000 former Resistance combatants and dependents during the 6-month period following their demobilization or repatriation. By the end of this period, they were expected to have become self-sufficient. Those expectations were overly optimistic. Because of ongoing security concerns and the new government's inability to provide land expeditiously, most combatants were uncertain about where they would finally settle. Even

when land was granted, Sandinista officials in government offices did not always execute the orders. Without land for farming or cattle raising, most combatants were unable to achieve self-sufficiency. As a result, the program was extended to July 31, 1991.

In addition to the extension, OAS needed additional funds to compensate for unexpected expenses, such as the costs of (1) assisting about 35,000 additional beneficiaries, (2) giving each combatant a cash payment of $50, as requested by the Nicaraguan government, and (3) undertaking peacekeeping activities in response to increased violence in the countryside. In addition, lack of cooperation from holdover Sandinistas in various government ministries meant that OAS had to establish its own distribution system, which increased the costs of its operation.

U.S. officials were very satisfied with the OAS program, and said that OAS efforts to help the former combatants and their families gave the new government breathing room to deal with other problems.

OAS advised U.S. officials that 3,000 to 5,000 combatants and their families will still need assistance after July 1991, but that it does not plan to continue providing assistance to them after that date.

Program Monitoring

The steering committee formed to monitor UN and OAS activities received information through reports from U.S. embassies in Honduras and Nicaragua, budget justification from the UN and OAS, informal statistical reports from the UN staff in Honduras, and two visits by the committee to the two countries. The committee did not initially request detailed information on program progress. It subsequently requested such information from OAS, but the information was not provided. As a result, U.S. officials were not aware of the number of beneficiaries registered in Nicaragua, the number that had achieved self-sufficiency, or the number still requiring assistance when they authorized a $10 million extension through July 31, 1991.

Recommendations

GAO is not making recommendations in this report.

Agency Comments

As requested, GAO did not obtain official comments on this report. However, its contents were discussed with AID and State Department officials, and their comments were incorporated where appropriate.

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Abbreviations

AID	Agency for International Development
CIAV	International Commission for Support and Verification
GAO	General Accounting Office
OAS	Organization of American States
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees

Introduction

The United States has aided the anti-Sandinista Nicaraguan Resistance, popularly referred to as Contras, since 1981. In May 1990, in response to the February 1990 election victory of Violeta Chamorro as president of Nicaragua and Central American peace plans to demobilize and repatriate the Nicaraguan Resistance, the U.S. Congress appropriated $30 million to support the voluntary demobilization, repatriation, and resettlement of demobilized members of the Resistance and their dependents. Congress specified that the funds must be provided through a newly formed international commission composed of the Secretaries General of the United Nations (UN) and the Organization of American States (OAS). The United States was the only donor for the commission's efforts to support the Nicaraguan Resistance. This report discusses the UN component to repatriate the Resistance and its dependents from Honduras, which ended in December 1990, and the status, as of February 1991, of the OAS component to help the Resistance and their dependents become self-sufficient in Nicaragua. The OAS component is currently scheduled to terminate on July 31, 1991.

Background

In April 1988, the U.S. Agency for International Development (AID) formed the Task Force for Humanitarian Assistance in Central America to support Resistance combatants and their dependents, most of whom were in Honduras. The Task Force's responsibility was to help maintain the Resistance as a viable force that could pressure the Sandinista government of Nicaragua to adopt democratic reforms—one of which was holding free elections. The Task Force provided humanitarian assistance to an estimated 20,000 Resistance combatants who were camped primarily in the Yamales Valley of Honduras near the Nicaraguan border. It also provided assistance to about 40,000 of their dependents who had settled across southern Honduras.[1]

In February 1989, five Central American presidents[2] reached an agreement that called for, among other things, a plan for the voluntary demobilization, repatriation, or relocation of Resistance members and their dependents. In exchange, the Nicaraguan government promised to hold free elections by February 25, 1990. In response, Congress authorized the transfer of funds to the AID Task Force to assist the Resistance to remain available through February 28, 1990.

[1]We have issued reports on a variety of U.S. programs benefiting the Nicaraguan Resistance, some of which are listed at the end of this report.

[2]The presidents were from Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

In August 1989, the five Central American presidents signed the Tela Declaration, which called for, among other things, the Secretaries General of the UN and the OAS to form a joint commission to demobilize and relocate Resistance members and their dependents, as well as refugees. The Secretaries General agreed to the request and formed the International Commission for Support and Verification (CIAV)[3] in September 1989.

Division of CIAV Responsibilities

The UN and OAS Secretaries General agreed on a division of CIAV responsibilities. Because the Secretaries General did not assign a leadership role to either organization, the UN and OAS components of CIAV operated independently. The UN agreed to undertake the repatriation of former Resistance combatants and their dependents from Honduras and Costa Rica and to assist them while they waited to be repatriated. At the request of the UN Secretary General, these activities were implemented by the United Nations High Commissioner for Refugees (UNHCR) and were carried out primarily in Honduras. OAS' role was to help oversee the demobilization process in Nicaragua, set up reception centers to receive repatriating combatants and dependents, and to administer a program to help demobilized combatants and their dependents resettle and become self-sufficient in Nicaragua.

U.S. Funding for CIAV Activities

In March and April 1990, the OAS and UN Secretaries General issued worldwide appeals for donations to fund CIAV activities. The United States was the only donor to provide funds to assist the Resistance. Congress appropriated $30 million for these activities through the Dire Emergency Supplemental Appropriations Act of 1990 (P.L. 101-302). The AID Task Force provided about $3 million and supplies of food, medicines, and other materials, and AID has also provided another $10 million from its fiscal year 1991 appropriation to extend the program through July 31, 1991. Table 1.1 shows the source and allocation of U.S. funds for CIAV activities.

[3]CIAV is the acronym for the name of the joint commission in Spanish—Comision Internacional de Apoyo y Verificacion.

Table 1.1: Source and Allocation of U.S. Funds for CIAV

Dollars in millions

Source of Funds	CIAV UN	CIAV OAS	Total
AID Task Force	$2.00[a]	$1.29	**$3.29**
Public Law 101-302	2.50	27.50	**30.00**
AID fiscal year 1991 funds	0	10.00[b]	**10.00**
Total	**$4.50**	**$38.79**	**$43.29**

[a]The Task Force spent additional amounts to purchase and store food that it left for CIAV in Honduras.

[b]This amount includes $100,000 that AID has allocated for a contractor to serve as a liaison between U.S. agencies and OAS.

Objectives, Scope, and Methodology

The Dire Emergency Supplemental Appropriations Act requires that we review and report on the effectiveness of all assistance to Nicaragua provided through that act, including the $30 million provided for CIAV.[4] In addition to the legislative reporting requirement, Senator Harry M. Reid and Congressman Duncan Hunter requested that we specifically review the UNHCR assistance program in Honduras to determine whether former Resistance combatants and dependents were receiving adequate assistance while they waited to be repatriated.

Specifically, our objectives were to observe the operation of the UN and OAS programs in Honduras and Nicaragua to determine

- whether the U.S.-funded UNHCR program provided adequate food, medical care, and repatriation assistance to former Resistance combatants and dependents in Honduras and
- whether the U.S.-funded OAS program was able to achieve its primary objective of helping the former Resistance combatants and dependents in Nicaragua become self-sufficient.

We also assessed the overall success of the UN's repatriation program and OAS' resettlement activities, and whether AID and the Department of State adequately monitored program activities and expenditures.

To accomplish these objectives, we interviewed and collected documents from officials at AID, the Department of State, the U.S. embassies in Honduras and Nicaragua, UNHCR, OAS, Honduran and Nicaraguan government

[4]This report, coupled with an earlier report entitled, Aid to Nicaragua: Status of U.S. Assistance to the Democratically Elected Government (GAO/NSIAD-91-183, May 1, 1991), partially responds to that requirement. Other reports will be forthcoming.

ministries, and private contractors. We also interviewed Resistance leaders, combatants, and dependents, as well as administrators and residents of UNHCR-assisted camps for Nicaraguan refugees. We solicited comments on program operations from independent sources, such as the U.S. Centers for Disease Control and the Honduran Ministry of Health, which had reviewed aspects of the UNHCR assistance program.

We visited Resistance camps in the Yamales Valley, major UNHCR food distribution centers in southern Honduras, UNHCR-assisted camps in Honduras for Nicaraguan refugees, OAS reception centers in Nicaragua, major OAS food distribution sites in Nicaragua, areas of major Resistance resettlement in Nicaragua, and an OAS medical facility in Managua. In addition, we accompanied Resistance and refugee repatriation convoys from Honduras to Nicaragua.

We conducted our review from August 1990 through February 1991 in accordance with generally accepted government auditing standards. As requested, we did not obtain official comments on this report. However, we discussed its contents with AID and State Department program officials and incorporated their comments where appropriate.

UNHCR Program to Assist and Repatriate the Resistance From Honduras

On May 1, 1990, UNHCR assumed responsibility, on behalf of CIAV, for arranging the voluntary repatriation of all demobilized Resistance combatants and dependents still in Honduras and for assisting them until they could be repatriated. The lack of documentation on food needs and distribution prevented us from determining whether UNHCR provided adequate food to former combatants and their dependents. Although there are indications that some were malnourished, independent experts reported that the extent of malnutrition was similar to that of the general populations of Honduras and Nicaragua.

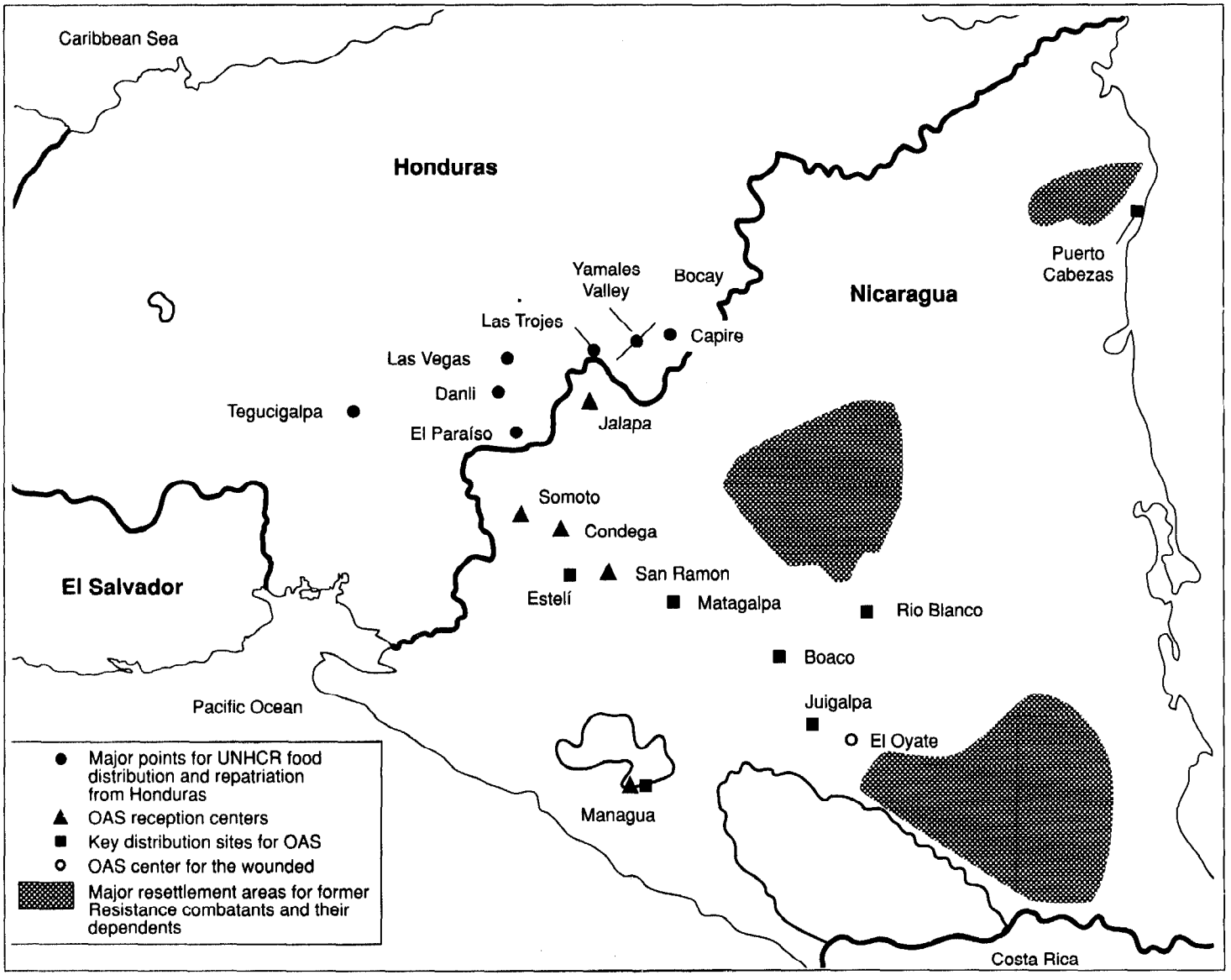
Death rates among infants and young children living in UNHCR-assisted camps were substantially above normal expectations. The high death rates in the Yamales Valley were attributed by UNHCR and U.S. officials, and others, primarily to problems that preceded the UNHCR program, including poor sanitation. Poor sanitation and high infant and young child death rates were also reported at the Las Vegas camp. U.S. officials reported that UNHCR improved sanitation in both areas and medical experts subsequently reported that UNHCR provided adequate medical care.

The final UNHCR repatriation occurred in December 1990, 2 months later than anticipated. All Resistance combatants and dependents who wanted to repatriate through the program were able to do so.

Food Assistance Programs

As part of its CIAV responsibilities, UNHCR provided "full" food rations to about 2,500 former combatants and dependents living in military camps in the remote Yamales Valley and to about 1,800 former combatants and dependents who were moved in mid-May 1990 from a jungle area called Bocay to a more accessible camp called Las Vegas. In addition, about 1,700 people who moved to the Yamales Valley during July and August 1990, were eventually registered into the full food ration program. These groups were considered to be completely dependent on UNHCR for their food needs. UNHCR provided "supplemental" rations to about 30,000 family members who had settled primarily in southern Honduras and who were thought to need less assistance. Figure 2.1 shows the location of the Yamales Valley, the Las Vegas camp, and other principal food distribution centers in Honduras.

Figure 2.1: Map of Honduras and Nicaragua



UNHCR Full Food Ration Was Adequate

UNHCR's feeding program for beneficiaries in the Yamales Valley and Las Vegas camp was designed to provide each beneficiary with a full food ration equal to an average of 2,200 calories per person per day. UNHCR officials told us that they based the size and composition of the ration provided to the Resistance on the ration that they had been providing to

Nicaraguan refugees living in nearby UNHCR-assisted camps. UNHCR officials said that rations for refugees are determined on a country-specific basis, taking into account variables such as the duration of the program, the ability of beneficiaries to provide for themselves, and local nutritional standards. UNHCR guidance for field staff states that refugees in long-term programs require at least 2,000 calories per day to maintain good health. Health experts from the U.S. Centers for Disease Control, the Honduran Ministry of Health, and the Honduran Red Cross reported that the ration provided to the Resistance was adequate to maintain good health.

Although the UNHCR's full ration of 2,200 calories was considered adequate, it was significantly less than the full ration that AID had previously provided to combatants. AID had provided a full ration of 3,500 calories to meet the higher caloric needs of an active duty military force. However, because the new UNHCR ration was significantly less than what the former combatants had previously received from AID, they complained that the new ration was inadequate. In addition, according to the former combatants and others with whom we spoke, the Resistance viewed itself as the victor in a civil war and responsible for the election victory of Chamorro as president. Consequently, the former combatants believed that they were entitled to be treated better than refugees and should, at a minimum, continue receiving the same level of assistance as had been provided by AID. UNHCR, on the other hand, viewed the former combatants and their dependents as being very similar in needs and composition to the Nicaraguan refugees in UNHCR-assisted camps and, therefore, it provided them basically the same food ration as it provided to refugees.

Resistance commanders rejected the first ration proposed by UNHCR and called a food strike, instructing Yamales Valley beneficiaries not to accept any food from UNHCR. As a result, UNHCR agreed to minimal changes in the composition of the ration and agreed that children could obtain an additional milk ration under medical supervision. The commanders agreed to accept the first food delivery from UNHCR on May 14, 1990. One U.S. newspaper editor observed and reported that there were empty warehouses in the valley and complaints of food shortages during the food strike, but we were unable to determine how much food was available to Yamales Valley beneficiaries during this period.

Despite complaints from the Resistance, U.S. officials did not suggest that UNHCR increase the food ration, even though, according to these officials, funds were available to pay for increased food rations if the

UNHCR had determined that increased assistance was necessary. U.S. officials told us that U.S. assistance to the Resistance had been reduced several times in the past and each reduction had prompted the Resistance to make similar public complaints of mistreatment.

In response to complaints that children in the Las Vegas camp and in the Yamales Valley were not receiving sufficient food, the State Department requested the Centers for Disease Control to send an expert to review the nutritional status of both groups of children. The expert evaluated a study of the nutritional status of Resistance children in the Yamales Valley done by the Honduran Red Cross and reported in August 1990 that malnutrition levels were actually below those that could be expected among the general populations of Nicaragua and Honduras. The report also noted that malnutrition did not seem to be a problem in the Las Vegas camp.

Individual Beneficiaries May Not Have Received Adequate Rations

Although UNHCR's full food ration was considered adequate to maintain good health, we were unable to determine whether individual beneficiaries in the Yamales Valley received sufficient food. UNHCR did not distribute food to individual beneficiaries, but rather provided enough food in bulk to the Honduran Red Cross to provide each beneficiary with an average of 2,200 calories per day. The Honduran Red Cross, in turn, gave the Resistance commanders the food to distribute to individuals. In May, before UNHCR completed its registration of beneficiaries living in the valley, UNHCR provided rations based on population estimates submitted by Resistance commanders. Resistance commanders supervised small warehouses and communal kitchens for camp residents, but they kept no records of the final distribution of food to individual beneficiaries.

A U.S. Embassy official in Honduras verified that UNHCR provided sufficient food, through the Red Cross, to Resistance commanders for the number of beneficiaries estimated by the Resistance to be living in the valley. The verification was done in response to complaints from Yamales Valley beneficiaries that they were not receiving sufficient food. The U.S. official reviewed delivery receipts for the month of July 1990 and determined that UNHCR had provided sufficient food for the number of beneficiaries in the valley at that time.

Although sufficient food may have been provided to the Resistance, this does not necessarily mean that all the food reached individual beneficiaries. U.S. and Resistance officials told us that Resistance commanders

used some of the food provided by UNHCR to bribe local government officials and sold some for personal gain. We could not independently verify these allegations. UNHCR changed the food distribution system in August 1990 because of continuing complaints that food was being misused. Although the Resistance leadership continued to be in charge of food distribution, Red Cross officials began to observe the distribution of some commodities. In addition, the Resistance began to distribute food to families for preparation in individual shelters rather than in community kitchens. After these changes, UNHCR officials told us that they stopped receiving complaints that food was being stolen or misused.

We were also told that an unknown amount of food provided to the Resistance was shared with people who had not been registered into the full food program. UNHCR officials said that this practice may have resulted in some program beneficiaries receiving less than adequate food rations.

In July 1990, Resistance dependents living outside the Yamales Valley unexpectedly began moving to the valley in hope of quick repatriation. This was caused by UNHCR's decision to repatriate Yamales Valley residents first. The migration caught program officials by surprise because they had expected beneficiaries to remain where they were until they could be repatriated. UNHCR did not want to register these people into the Yamales Valley full food program because it did not want to encourage other families to make the same move to the valley. However, when it became apparent that original Yamales Valley beneficiaries were sharing their food with the new arrivals, UNHCR decided to register the new arrivals into the full ration program.

Because UNHCR officials could not predict whether, or when, additional people would move to the valley, UNHCR officials decided to provide the Resistance with enough food to feed all registered beneficiaries for an entire month, even though the UNHCR officials knew that hundreds of valley residents would repatriate during each month. UNHCR hoped that the increased registrations and surplus rations would ensure that all Resistance beneficiaries in the Yamales Valley received sufficient food. UNHCR officials told us that this did not always occur, in part, because repatriating Resistance members took the surplus food with them to Nicaragua rather than leave it for new arrivals.

Supplemental Food Program Not Based on Current Food Needs Assessment

Unlike beneficiaries in the Yamales Valley who depended on UNHCR for their total food needs, UNHCR and AID found that Resistance family members settled across southern Honduras had access to other sources of food and only needed a supplemental food package. Because UNHCR knew very little about the estimated 30,000 Resistance family members living outside the Yamales Valley, it initially decided to provide them the same food package AID previously provided. UNHCR subsequently changed the food package twice—once to make the rations more equitable for all beneficiaries, and later to reflect perceived changes in the economic circumstances of some beneficiaries. Neither change was based on a comprehensive review of the food needs of the beneficiaries. Without such information, we were unable to determine whether any of the supplemental food packages provided by UNHCR were sufficient. The Pan American Health Organization provided health examinations to combatants and dependents when they arrived at OAS reception centers in Nicaragua and noted that some were malnourished; however, their rates of malnourishment were comparable to those of the local population.

Until July or August 1990, UNHCR continued the AID practice of providing food to families based on a range of family sizes. As a result, families with one member received the same as families with three members and families with four members received the same amount of food as families with seven members, and so on.

UNHCR decided that it would be more equitable to provide food based on the actual number of people in each family rather than a range of family sizes. UNHCR decided to base the new ration on the average share of the current food package received by each member in a family of seven. The new formula reduced the amount of food received by families with fewer than seven members and increased the amount of food received by larger families. The change prompted complaints from the Resistance.

By September 1990, UNHCR officials had become aware that Honduran government officials were pressuring employers near the Yamales Valley to stop hiring Nicaraguans and were encouraging Resistance dependents to move into the Yamales Valley in order to repatriate. As a result of the lost jobs and incomes, Resistance families in the supplemental food program required additional assistance to meet their food needs. Rather than increase the food ration only for beneficiaries living around the Yamales Valley, which might have had the unintended effect of causing another migration of beneficiaries to the valley, UNHCR

decided to increase the supplemental food ration for all beneficiaries. The new ration was more than the beneficiaries had previously received from AID or UNHCR. Resistance leaders told us that they were satisfied with the increased ration levels.

Health Care Program

On May 1, 1990, UNHCR began to provide health care to about 2,500 former combatants and dependents living in former military camps in the remote Yamales Valley. This group included a large number of children, pregnant women, and war wounded. In mid-May 1990, UNHCR began providing health care to about 1,800 former combatants and dependents who had been moved from the Bocay, a remote jungle area near the Nicaraguan border, to Las Vegas, a more accessible camp that had been built next to an existing UNHCR camp for Nicaraguan refugees.

For several months after UNHCR assumed responsibility for their health care, death rates among infants and young children in the valley and Las Vegas exceeded national averages. Independent health experts evaluating these deaths concluded that most resulted from diarrhea and intestinal infections and not from malnutrition. An expert sent by the Centers for Disease Control to evaluate conditions in both areas credited decreases in the death rates by July 1990 to health care provided by UNHCR through the Honduran Red Cross, the stabilization of populations in both areas, and normal decrease that would be expected because the most vulnerable segments of the population die first. Officials from both the Centers for Disease Control and the Honduran Ministry of Health concluded that, after improving sanitation in both the valley and the Las Vegas camp, the health care provided by UNHCR in the valley was adequate.

UNHCR did not provide health care to beneficiaries outside the Yamales Valley or Las Vegas.

Health Care System in the Yamales Valley

UNHCR contracted with two U.S. firms to provide health services in the Yamales Valley from May 1 through mid-June 1990. One contractor was responsible for running a hospital that AID had funded primarily to treat seriously wounded combatants, and the other was responsible for improving sanitation in the valley and for maintaining clinics and an outreach program aimed primarily at mothers and children. The contractors had provided similar services before May 1, 1990, under AID-funded contracts. UNHCR advised the contractors and U.S. officials that, after a brief transition period, it intended to replace both contractors

with the Honduran Red Cross and that it would downgrade the hospital services previously funded by AID and rely on local hospitals to provide care for the most seriously ill.

Events Preceding UNHCR Program Affect Living Conditions in the Yamales Valley

By February 1990, while the AID Task Force was still providing assistance to the Resistance, a large number of combatants, including most of the medical corps of 1,800 paramedics and 13 doctors, had returned to Nicaragua from Honduras to play a role in the upcoming election. This affected the outreach program targeted toward mothers and children because Resistance paramedics had participated in the outreach program. AID-funded contractors attempted to fill the gap by hiring additional social workers and health care promoters, but the level of service was reduced.

Most of the remaining combatants and the Resistance command had returned to Nicaragua by April 1990. We were told that some combatants had burned their shelters before leaving Honduras as a sign they did not intend to return, and some took medicines and water system supplies, including water filters and piping with them.

The departure of the Resistance leadership left behind a weakened and disrupted command structure in Honduras. When the able-bodied combatants left the Yamales Valley, they left behind a population comprised primarily of women and children who were less able to maintain the former military camps and who, according to one of the U.S. contractors, suffered severe psychological and social trauma from having been left behind.

The Resistance leadership ordered remaining combatants and dependents living in the valley to congregate in one camp, Quilali. As a result, the population of this camp, designed to support 1,000 persons, grew to 2,500. According to U.S. officials, this overcrowding strained the sanitation system that had never been very good and had been weakened by the loss of water filters and piping. In addition, the outreach program and clinics were temporarily closed in mid-April during the phase down of the AID program.

UNHCR arranged for an independent assessment of living conditions and health care in the Yamales Valley before taking charge of the medical program. In late April 1990, the Pan American Health Organization and the Honduran Ministry of Health visited the valley and reported that

living conditions were poor and health care being provided was inadequate, contributing to illnesses and infant deaths. The outreach program had not yet resumed full operations when UNHCR assumed responsibility for the repatriation of the Resistance on May 1, 1990.

UNHCR officials said that they were not fully prepared to deal with these problems because despite their requests as early as January 1990, AID had not allowed them to visit the valley before early April 1990. AID officials told us that they would not meet publicly with UNHCR staff because the Resistance objected to receiving assistance through UNHCR. UNHCR staff told us that even in private meetings with AID officials they did not receive the information they believed was necessary to prepare for the transition, which made planning and implementing their program more difficult. AID officials dispute this contention.

High Death Rates Among Infants and Children in Yamales Valley

U.S. officials agreed that a combination of overcrowding, inadequate sanitation, and a gap in outreach care, contributed to a high mortality rate among infants and young children living in the Yamales Valley before UNHCR took over. A U.S. Embassy official estimated that approximately 17 infants and young children died in the valley in April 1990, a rate that greatly exceeded the expected rate for its population size. High infant and young child death rates continued in the Yamales Valley through May and June 1990, but by July 1990, death rates were reduced to levels that were less than that expected for the general populations of Honduras or Nicaragua.

Because of widely published reports of extremely high death rates among infants and young children in the Yamales Valley and Las Vegas camp, the State Department asked the U.S. Centers for Disease Control to review the quality of health care provided by UNHCR. An epidemiologist from the Centers for Disease Control visited the valley in August 1990. He reported that the high number of deaths reported in the valley could not be substantiated. He reported that there were 15 verifiable deaths in the Yamales Valley in May, 4 in June, and 2 in July. He believed that the two deaths that occurred in July were the fewest that reasonably could be expected, given the logistical problems of providing health care in the valley and the fact that the population of the valley was constantly changing because of the large numbers of Resistance families migrating to the valley.

High Death Rates Among Infants and Young Children in Las Vegas Camp

The Centers' expert also visited the Las Vegas camp and reported that there were 14 infant and child deaths in the Las Vegas camp in June and 3 in July. He stated that the three deaths in July were more commensurate with the number that could be expected of the local population.

The 1,800 former combatants and dependents assisted by UNHCR in the Las Vegas camp had previously been located in Bocay. AID had supplied this group by helicopter, but UNHCR did not wish to continue this high cost effort and, in early May 1990, made plans to move the group to a more accessible camp. UNHCR had intended to move the group to the Yamales Valley, but at the last minute the Honduran government decided that they would be relocated instead to an undeveloped site next to an existing UNHCR camp for Nicaraguan refugees. The new camp was called Las Vegas. Because of the sudden change in locations, UNHCR was unable to finish preparing a camp for the new arrivals before their transfer in mid-May 1990. A U.S. official assessing the new camp on May 19, 1990, reported poor sanitation and living conditions in the camp. For example, the official reported that latrines built for the adjacent refugee camp were situated on a bluff overlooking the new Resistance camp and there was a danger that waste contaminants could leach into the Las Vegas camp below. UNHCR officials told us that they had taken steps to improve sanitation in the camp.

Repatriation Program

The UNHCR repatriation program began later and proceeded more slowly than expected primarily because of (1) delays in the Resistance demobilization in Nicaragua, (2) delays by Nicaraguan government officials in documenting those who wanted to repatriate, and (3) the inability of OAS to accommodate more frequent or larger groups of repatriates.

Although UNHCR registered about 37,000 Resistance combatants and dependents in Honduras, only about 18,700 had chosen to repatriate through the UNHCR program when it ended in December 1990. UNHCR, U.S., and Resistance officials speculated that the 18,300 beneficiaries who did not repatriate through the program may have (1) decided to stay in Honduras, legally or otherwise, (2) repatriated on their own, (3) been Honduran and never intended to repatriate, or (4) reflected inflated registration figures caused by duplicate or fictitious registrations. Nevertheless, U.S., Honduran, and Resistance officials told us that they were pleased with the results of the program.

The Registration Process

UNHCR began registering beneficiaries in early May 1990 and by the end of July 1990, it had registered more than 32,000 beneficiaries. In response to Resistance complaints that it had not registered all Resistance dependents and supporters, UNHCR extended the registration deadline to September 30, 1990, and registered all individuals recommended by Resistance commanders. UNHCR ultimately registered 37,119 beneficiaries. Resistance leaders told us that they were satisfied with the UNHCR decision to extend the registration deadline and to include additional beneficiaries into the program.

UNHCR decided to register anyone who had received assistance from AID and anyone recommended by a Resistance commander. UNHCR officials said that they did not insist on seeing every family member claimed by a head of household, but accepted personal testimony or former AID program registration cards as proof of family size. UNHCR officials said that they later found evidence of duplicate registrations and fictitious dependents. U.S. officials told us that they agreed with the UNHCR's decision to register all former AID beneficiaries into the UNHCR-run program, because this program was essentially a continuation of the AID program. In addition, the primary U.S. objective for the UNHCR program was the rapid repatriation of as many Nicaraguans as possible, in accordance with the Honduran government's desire that the Nicaraguan Resistance leave Honduras.

The Repatriation Process

Before beneficiaries could repatriate, they had to tell UNHCR that they were ready to leave Honduras. The notifications were usually made when families picked up their monthly food supplies at designated food distribution points. Heads of households affirmed that each family member was leaving voluntarily and signed up for space in a repatriation convoy. Before the departure date, each repatriate was documented by a Nicaraguan immigration official. On the day of repatriation, UNHCR initially gave each adult the Honduran currency equivalent of $50 and each child $25. According to UNHCR officials, they subsequently began distributing U.S. dollars because repatriates were not receiving full value for the Honduran currency in Nicaragua. Each repatriate also received a supply of food designed to last 2 months, by which time they were expected to begin receiving assistance from OAS in Nicaragua. UNHCR provided one truck for each bus load of repatriates to carry their personal belongings.

We observed a repatriation convoy as it formed in Las Trojes and found it to be a well organized activity. Those leaving seemed to be in very

festive moods, with the children wearing their best clothes. We noted that Honduran shopkeepers had stationed themselves beside the UNHCR official distributing the cash payments and proceeded to collect amounts owed them by the repatriates before they left Honduras. Other shopkeepers were selling items that would be needed in Nicaragua and were expected to be more expensive there.

Repatriations Began Later Than Expected

The first repatriation from Honduras occurred on July 5, 1990, about 6 weeks later than had been expected. It also coincided with the date on which the demobilization of the Resistance was formally concluded. The Resistance command had not been anxious for dependents to repatriate until combatants had decided where they would settle in Nicaragua and until security concerns were resolved. Repatriations were also suspended during a general strike in Nicaragua in mid-July.

UNHCR officials told us that they were unable to move the repatriation process faster, in part because an inadequate number of Nicaraguan immigration officials had been sent to Honduras to document the returnees. In addition, OAS officials told us that they could not have accepted more frequent or larger repatriation groups. OAS' capacity was limited by the logistical difficulties of taking returnees and their belongings virtually anywhere they wanted to go in Nicaragua, the bed-space capacity of its reception centers where returnees spent their first night in Nicaragua, and the capacity of the new government of Nicaragua to assist returnees. We were also told that UNHCR canceled several repatriations because only a few people signed up to leave. Issues related to the OAS program are discussed in chapter 3.

UNHCR Extends Deadline to Accommodate Needs of Resistance

UNHCR had intended to end the repatriation program on October 31, 1990. This date was printed on all CIAV registration cards and widely publicized. However, UNHCR extended the deadline for repatriations until December 1990 to accommodate the needs of families that had children enrolled in Honduran schools and who did not want them to lose credit for the school year that ended in mid-November. UNHCR officials said that the extension had also been requested by some beneficiaries who wanted to see how conditions in Nicaragua were developing before deciding to repatriate.

A limited number of Resistance combatants and dependents who wanted to repatriate after that date were registered into and repatriated through the UNHCR refugee program, which ended on March 31, 1991.

Any remaining Resistance personnel who want to repatriate must do so on their own.

Involved Parties Satisfied With Repatriation Effort

Resistance leaders told us that they were generally satisfied with UNHCR registration and repatriation programs, particularly UNHCR's flexibility in extending deadlines for both registrations and repatriations. They said that all beneficiaries who wanted to return to Nicaragua through the UNHCR program had been repatriated. U.S. and Honduran officials also told us that they were very satisfied with the results of the repatriation program.

U.S. Oversight of UNHCR Activities

AID and the Department of State shared responsibility for ensuring that U.S. objectives were achieved and formed an interagency steering committee to monitor UN and OAS activities. The committee met periodically to review budgets submitted by the UN and OAS, authorize disbursements to fund approved activities, and discuss program progress.

The committee monitored the UN program through

- field reports from U.S. officials in the U.S. Embassy in Honduras,
- budget justifications submitted by the UN in support of its funding requests,
- informal statistical reports of registrations and repatriations from UNHCR staff in Honduras, and
- two trips by the steering committee to Honduras to observe program activities.

Committee members told us that, following the usual practice when monitoring programs implemented by international organizations, they did not request the UN to submit detailed periodic progress reports but expected the UN to submit an end-of-project report.

OAS Programs to Resettle the Resistance in Nicaragua

The OAS component of CIAV was initially designed to provide food and other assistance to an estimated 60,000 demobilized combatants and dependents during the 6-month period following their demobilization or repatriation, during which time it was hoped that they could become self-sufficient. Despite OAS efforts, most demobilized combatants and their dependents did not become self-sufficient within this time frame.

In addition to program implementation delays, OAS incurred added expenses. These included the costs of

- assisting about 35,000 additional beneficiaries;
- undertaking peacekeeping activities in response to increased violence in the countryside; and
- giving each combatant a cash payment of $50, as requested by the Nicaraguan government.

Because most Resistance members and their families did not become self-sufficient within the expected time frames, U.S. officials approved a program extension through July 31, 1991, and increased U.S. funding from $28.79 million to $38.79 million. Since self-sufficiency depended on events beyond the control of OAS and the Resistance, neither OAS nor U.S. officials had any certainty that the new deadline could be met or that the additional funds would be adequate.

U.S. officials did not initially request OAS to provide detailed information on program progress. When they did request such information, OAS did not provide it. As a result, U.S. officials were unaware of the number of beneficiaries registered or the number that had achieved self-sufficiency and no longer needed assistance.

In June 1991, U.S. officials told us that OAS estimated that 3,000 to 5,000 former combatants and their families would still need assistance when the extension ends in July 1991. These officials told us, however, that OAS does not intend to provide food and other assistance to former combatants or their families after July 1991, and that any further assistance must come from other sources. U.S. officials stated that there is no U.S. program planned to provide further assistance specifically to former combatants after July 1991.

A special program for wounded combatants, managed by a contractor, experienced implementation problems and lacked sufficient oversight.

Most Combatants Did Not Achieve Self-Sufficiency

OAS agreed, on behalf of CIAV, to provide food, clothes, light tools, housing materials, heavy agricultural equipment, farm animals, seeds, and technical assistance to demobilized combatants and their families to help them successfully reintegrate into Nicaraguan society. However, most Resistance members had not become self-sufficient by December 1990, as initially anticipated.

Demobilization Slower Than Expected

Resistance combatants were originally expected to have demobilized by April 25, 1990, when Violeta Chamorro was sworn in as the new president of Nicaragua. Demobilization was to be followed by a prompt land distribution to combatants and swift repatriation of their dependents. If these expectations were met, U.S. officials anticipated that resettlement activities would begin by the May 1990 planting season and that beneficiaries would begin to be self-sufficient by the August 1990 harvest. However, events did not occur as anticipated.

The Resistance signed a cease-fire agreement with the government of Nicaragua on April 18, 1990, but delayed demobilizing because of concerns that disarmed combatants in Nicaragua would be vulnerable to Sandinista aggression. The Resistance did not effectively begin to demobilize until after signing a second agreement on May 30, 1990, that provided the necessary security guarantees. Although the demobilization process itself reportedly proceeded smoothly, it was not officially completed until July 5, 1990, by which time 22,373 former combatants were reported to have demobilized. The delay prevented the OAS program from beginning as scheduled.

Land Promised Was Not Provided

To encourage demobilization, the government of Nicaragua promised, among other things, to provide each former combatant with land on which to farm or raise cattle. The government, however, did not provide the land as promised, and by the end of February 1991, only an estimated 8,000 former combatants and heads of households had received land. OAS provided this group with seeds, tools, and other assistance. The government of Nicaragua has been hampered in its efforts to distribute land by (1) severe economic problems forcing the government to focus its resources elsewhere, (2) land grants by Sandinista officials during the transition period between the election and inauguration of the new government that severely complicated land title records, and (3) Sandinista efforts to stall or stop assistance to the former combatants and their dependents.

The government promised renewed efforts to distribute the land needed by the Resistance, but OAS and Resistance officials were skeptical that the government could provide land to all remaining recipients in time for the late spring 1991 planting season. OAS and Resistance officials, therefore, doubted that all members of the Resistance can be self-sufficient by July 31, 1991, when program extension will terminate. In June 1991, U.S. officials told us that OAS estimated that 3,000 to 5,000 eligible recipients and their families would still need assistance when the program ends.

Additional Funds Provided for OAS Program

The delay in combatant demobilizations and the inability of the Resistance to obtain land extended the time during which they needed assistance. This increased the cost of the assistance program. OAS also incurred additional expenses that increased the cost of helping the Resistance become self-sufficient.

As of February 1991, the United States had contributed $28.79 million to OAS for its resettlement program: $1.29 million from unexpended AID Task Force funding and $27.5 million from funds appropriated by the Dire Emergency Supplemental Appropriations Act of 1990. These funds were sufficient to continue program activities through February 1991. However, because a large number of beneficiaries were still not self-sufficient by that time, AID decided to extend the program and provided an additional $10 million from its fiscal year 1991 appropriations, to cover program costs through July 31, 1991.

Unexpected Beneficiaries Increased Program Costs

OAS had to spend more funds than originally anticipated on food and tools because it registered almost 60 percent more beneficiaries than the 60,000 beneficiaries that had been expected. The additional beneficiaries were primarily dependents or supporters who had remained in Nicaragua, had not been assisted by the AID Task Force program, and were not considered when budgets for the resettlement program were developed.

As part of the demobilization process, OAS registered demobilized combatants in the resettlement program and asked them to name the dependents who would be assisted through the program. OAS purged the list of dependents claimed by combatants and removed anyone who was not a spouse, common-law spouse, parent, and child, brother, or sister under the age of 16. OAS believed that its mandate was to assist only immediate family members. In addition, because OAS assumed that the dependents

claimed by the combatants were the same beneficiaries that UNHCR was registering in its program in Honduras, it did not ask combatants the location of their dependents. Therefore, when OAS purged its roles it could not determine whether (1) it had purged dependents or family units registered by UNHCR in Honduras or (2) combatants were claiming dependents who lived in Nicaragua and who had not previously received assistance from the AID Task Force.

When UNHCR began repatriating Resistance members to Nicaragua, OAS found that only about 2,000 of the 18,700 individuals being repatriated through the UNHCR program matched the OAS list of claimed dependents. OAS initially denied resettlement benefits to any UNHCR repatriate who was not either a demobilized combatant or a dependent claimed by a combatant at demobilization. With U.S. concurrence, OAS eventually agreed to provide resettlement assistance to all beneficiaries repatriated through the UNHCR program.

After Resistance leaders in Nicaragua complained that OAS had excluded eligible beneficiaries from its program in Nicaragua, OAS, with U.S. concurrence, decided to register anyone recommended by a Resistance leader. OAS could not tell us the exact number of beneficiaries registered in this manner. OAS officials also told us that they advised the Resistance leadership that the increased registration would reduce the assistance that could be provided to individual combatants, but Resistance leaders nonetheless insisted that these individuals should be registered. When the registration process closed in November 1990, OAS had registered about 95,000 beneficiaries, far exceeding the 60,000 that had been expected.

OAS Incurs Peacekeeping Costs

OAS reallocated an undetermined amount of resources and personnel to maintain a peacekeeping role in the countryside when violent disputes between the government and peasant groups erupted in November 1990. Peasant groups demanded that the government close Army bases and abolish the national police in the countryside. The government asked OAS to help control the protests, including disarming civilians. OAS refused to disarm civilians, but assumed a peacekeeping role in the countryside because OAS and U.S. officials believed that peaceful conditions in the countryside were a prerequisite to a successful resettlement program.

In June 1991, U.S. officials told us that, at the request of the government of Nicaragua, OAS has agreed to continue its verification and protection role in Nicaragua until June 30, 1992. U.S. officials expected that

the $10 million provided to extend the program through July 1991 would be sufficient to cover these additional activities.

OAS Provides Severance Pay

At the request of the Nicaraguan government, OAS revised its budget to provide a $50 severance payment to each former Resistance combatant. The payments were made in September and October 1990. The government of Nicaragua initially promised the Resistance that it would provide severance pay to combatants as an incentive to demobilize, but the government later indicated it lacked funds to pay the Resistance members and asked OAS to provide the severance payments. U.S. officials supported the request because they wanted to promote good relations between the Resistance and the new government and they believed that this was the only way that Resistance members would receive severance pay.

U.S. Oversight of OAS Activities

The interagency steering committee that monitored UNHCR activities also monitored the OAS program. It obtained information on the OAS program activities through

- field reports from officials in the U.S. Embassy in Nicaragua;
- budget justifications submitted by OAS in support of funding requests;
- two trips by the steering committee to Nicaragua to observe program activities;
- periodic visits to Washington, D.C., by the head of the OAS program in Nicaragua; and
- a December 1990 study contracted for by OAS at the steering committee's request to assess the current and predicted food needs of Resistance beneficiaries, in anticipation of a program extension.

Despite these actions, the committee did not have detailed information on the progress of the OAS program or the extent to which Resistance members had resettled and been able to achieve self-sufficiency. For example, when it considered and approved the program extension and additional budget of $10 million, the committee did not know the number of combatants who had received land from the government, the number that had achieved self-sufficiency, or the number that still required assistance or at what level. In June 1991, 6 weeks before the extension was scheduled to end, the committee was unaware of the number of Resistance members that had received land.

The committee did not initially request OAS to submit detailed periodic progress reports on its activities, and when the committee did request such reports, OAS did not provide them. Committee representatives said that despite OAS' inability to provide some detailed data, it had cooperated to an unusual degree with U.S. officials. To ensure that U.S officials have better program information in the future, OAS has agreed to submit more detailed periodic financial and performance reports during the extension period and establish a system to monitor the distribution of food to beneficiaries identified as being at risk of undernourishment. AID also hired a contractor to serve as a liaison between OAS, the U.S. Embassy and AID mission in Managua, and the steering committee.

Problems With Program for Disabled Combatants

OAS awarded a $1.5 million, 6-month contract to a U.S. firm to implement a program to reintegrate disabled members of the Resistance into Nicaraguan society. The contractor's proposal placed heavy emphasis on the training and assimilation of the disabled into the Nicaraguan work force and economy. U.S. and OAS officials, however, were dissatisfied with the results of the program.

OAS and U.S. officials told us that the contractor did not provide progress reports or performance reports as required by terms of the contract. The contractor staff told us that with OAS' approval they had presented oral reports, but admitted that some lapses in reporting occurred.

In December 1990, during our second visit to the facility established to temporarily house the wounded in Nicaragua, contractor staff could not tell us what progress they had made in reintegrating the wounded into the Nicaraguan work force and economy, although the project was then scheduled to be completed by January 31, 1991. For example, the staff could not tell us what the camp's population was, how many patients had been discharged, or what plans had been made for the remaining patients.

Representatives of the interagency steering committee visited the facility and were aware of some of the problems. For example, patients complained to them about the adequacy of their food rations. Steering committee officials discussed this issue with OAS officials. Nonetheless, we found that the adequacy of food rations was still an issue during our subsequent visits to the facility. When we discussed the complaints with OAS officials, the rations were increased.

Because some of the wounded still needed reintegration assistance, AID provided an additional $1 million to OAS to extend the contract for 6 months. These funds were part of the $10 million program extension. Because of U.S. and OAS concerns about the contractor's poor performance, OAS insisted that the contractor replace its personnel. In addition, OAS contracted the Pan American Development Foundation to work with the U.S. contractor to provide medical, surgical, and rehabilitation care. OAS assigned a full-time staff member to monitor the implementation of the $1 million project extension for the wounded.

In March 1991, the contractor reported that out of 293 patients that had been under its care at the center, 15 percent were enrolled in government of Nicaragua programs; 34 percent were in the process of reintegrating, but still required assistance; 7 percent were seeking assistance from OAS instead of the contractor; and the remainder, nearly one-half, had reintegrated on their own with little or no assistance from the contractor staff.

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Central America: Humanitarian Assistance to the Nicaraguan Democratic Resistance (GAO/NSIAD-89-152, June 1, 1989).

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