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REPORT OF THE

TASK FORCE ON HUMANITARIAN ASSISTANCE

IN CENTRAL AMERICA

Report on Phase III

May 1, 1989 - April 30, 1990

FINAL REPORT

June 29, 1990

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This is the final report of Phase III of Humanitarian Assistance, and the final report of the two-year program. For reports on Phase I and Phase II, see reports dated November 14, 1988, and April 20, 1989.

EXECUTIVE SUMMARY

On April 1, 1988, the United States Congress passed Public Law 100-276 directing The Agency For International Development (A.I.D.) to p ovide assistance and support for peace, democracy and reconciliation in Central America. That law directed A.I.D. to administer a program of $17.7 million in humanitarian assistance to the Nicaraguan Resistance, $17.7 million in medical assistance for children affected by the civil strife, and $10.0 million to support the Verification Commission established by the Sapoa Agreement. The funding for humanitarian assistance was to last through September 30, 1988 (Phase I), while the Verification Commission and the children's medical program (referred to as Children's Survival Assistance Program or C.S.A.P.) had no time limit.

In early April 1988, A.I.D. established the Task Force for Humanitarian Assistance in Central America (T.F.H.A.) to implement this program. The Task Force, which reported directly to the Administrator of A.I.D., had offices in Washington, D.C., Honduras, and Costa Rica. Due to the unique nature of the program, the Task Force was a self contained organization, and operated independantly from other A.I.D. offices and overseas Missions. It received extensive support from within A.I.D. and by other USG and private organizations. Private contractors, both institutional and individuals, did an excellent job of supporting the program.

On September 30, 1988, Congress passed Public Law 100-463 which extended the humanitarian assistance program through March 31, 1989 (Phase II). That law provided $27.14 million for humanitarian assistance to remain available through the extended period. The law also provided $5.0 million for medical assistance for civilian victims of the Nicaraguan civil strife to be administered by the Nicaraguan Catholic Church, though this new activity could never be implemented.

On March 24, 1989, the President of the United States and Congressional leaders signed the Bipartisan Accord on Central America, a document expressing unity in support of democracy, peace, and security in Central America. In furtherance of that accord, the Congress passed Public Law 101-14, dated April 18, 1989. That law provided $49.75 million for humanitarian assistance for the Resistance to remain available for obligation through February 28, 1990 (Phase III). Deliveries extended through April 30 to allow for an orderly transition following the Nicaragua Election. These funds were also available to support voluntary relocation and reintegration of the Resistance

into Nicaragua. An additional $4.166 million was included for the medical program of the Catholic Church in Nicaragua, but these latter funds were also not utilized.

Thus, the A.I.D. program of supplying humanitarian assistance to the Nicaraguan Resistance has been carried out through three phases:

Phase I: April 1 - September 30, 1988

Phase II: October 1, 1988 - March 31, 1989

Phase III: April 1, 1989 - February 28, 1990

Attachment A provides a Financial Summary for all three phases.

There are two other pieces of legislation which, though not providing assistance to the Resistance, affected the operations of the Task Force. Public Law 101-119 (October 21, 1989), provided that up to $9.0 million of unexpended program funding from Phases I and III could be made available to support free and fair elections in Nicaragua. Public Law 101-215 (December 11, 1989) expanded the scope and criteria of the children's medical program.

Program Elements - Implementation

Between May 1, 1989, and February 28, 1990, the Task Force obligated $43.72 million of the available $43.75 million in humanitarian assistance. (This available level does not include $6.0 million of humanitarian assistance funds that were transferred and obligated to support the Nicaraguan election process in accordance with P.L. 101-119). Attachment B provides a summary of Phase III assistance.

The Task Force provided a full range of authorized support to Resistance members and families in Honduras, where the majority of them were located. This assistance included food, clothing, shelter, medicines and medical care, and authorized training. Approximately 900 tons of food, $450,000 worth of clothing and over $1.0 million worth of medicines and medical services were delivered monthly.

Resistance members of the Northern, Atlantic, and Southern Fronts inside Nicaragua received cash-for-food in the form of Nicaraguan currency (cordobas), carried in by couriers, to purchase essential provisions. In addition, Family Assistance

Payments were made in Honduras, Costa Rica and Miami to help Resistance members provide for their families while they were serving with the Resistance.

Resistance members in Honduras received training related to internationally accepted standards of human rights, and in basic health and sanitation. To prepare Resistance members and families for their eventual return to civilian life, the Task Force introduced Phase III training to increase the potential for productive employment and income generation in civilian life, such as literacy and numeracy, health, vocational skills development, and civics. Over 9,000 people received some type of non-military training.

The Task Force provided support to the Resistance Medical Corps physicians and paramedics to improve the delivery of medical services and to manage the medical system. The field hospital, relocated from Aguacate to Capire, was completed in November 1989 and served most of the medical needs of the Resistance. Since its completion, some 40,000 patients have received medical treatment at the improved hospital. In addition, the Task Force supported rehabilitation centers for the permanently disabled in Honduras and in Costa Rica, and an evacuation program for seriously wounded to Miami.

The Nicaraguan Association for Human Rights (A.N.P.D.H.) provided human rights training. Since October 1, 1988, they have trained some 9,000 Resistance members on the proper treatment of prisoners of war and civilians, as contained in the Geneva Convention and the United Nations' Universal Declaration of Human Rights. The Nicaraguan Resistance provided related training through its Fiscalia Militar (Military Prosecutor's Office), on the Resistance Code of Conduct and military justice system. In the later stages of the program curricula were adapted to emphasize human rights in a civilian (rather than military) setting.

Since its inception the Children's Survival Assistance Program (C.S.A.P.) provided medical care and other services to around 240,000 children affected by the Nicaraguan civil strife. As mandated in the C.S.A.P. legislation, the program was implemented by private and voluntary organizations (P.V.O.'s) and international relief organizations (I.R.O.'s). (See Attachment C for a summary of P.V.O.'S and their activities.) Legislation passed by Congress in December 1989, permitted use

of funds for the C.S.A.P. program to a broader beneficiary group and a wider geographic area. As a result, activities under the existing C.S.A.P. program terminated in December, and in January, 1990, a new program known as C.A.S.A. (Survival Assistance for Civilian Victims of the Civil Strife in Central America) was initiated by the A.I.D. Bureau for Latin America and the Caribbean.

The Verification Commission, has been monitoring aspects of the Sapoa Accord such as the truce, the election, and human rights. Although the Verification Commission had been functioning at a lower level than originally anticipated, the Nicaraguan election process served to reactivate that aspect of their verification activities, especially on the part of the OAS. Since the election, the Cardinal has been very active in assisting the repatriation and reintegration process, and maintains his village-level verification network to monitor the treatment of returning Resistance members after demobilization. (See Attachment D).

Under Public law 101-119, the Task Force financed ($9 million) support for free and fair elections in Nicaragua. Funding was provided to the National Endowment for Democracy, The Council of Freely-Elected Heads of Government (Carter Center), The Center for Democracy, The Center for Training and Election Promotion (CAPEL), Freedom House, and others. Funding was limited to non-campaign expenses such as the training of poll watchers, the maintenance of international observers before and during the actual voting, and educational programs designed to get out the vote. (See Attachnebt E).

Under the TELA Declaration of August 7, 1989, of the Central American Presidents' peace process, the International Commission for Support and Verification (C.I.A.V.) was established to repatriate the Resistance. This Commission consists of the Secretaries General of the United Nations and of the Organization of American States. After several months of offers, the Task Force provided initial funding ($3 million) to CIAV to enable it to take over the supply of humanitarian assistance to the Resistance starting May 1, 1990, and to initiate the reintegration process pending Congressional action on the Dire Emergency Supplementary Appropriation which on May 25, 1990 provided additional funding for the repatriation of the Resistance.

The Task Force stopped delivering of goods and services on April 30, 1990. It has used May and June to pay bills, retire files, transfer property, etc. It is being disbanded effective June 29, 1990. A small accounting function will remain for a few months in Honduras to pay incoming bills.

Report on the Task Force on Humanitarian Assistance in Central America

Report on Phase III

May 1, 1989 - April 30, 1990*

Background **

On March 23, 1988, the Government of Nicaragua and the Nicaraguan Resistance signed a preliminary cease-fire agreement, known as the Sapoa Accord. The Sapoa Accord provided for a cease-fire between the parties, relocation of the Resistance into security zones where they could receive humanitarian assistance from neutral delivery agents, a general amnesty, freedom of expression, freedom of election, a national dialogue, and a verification commission composed of Cardinal Obando y Bravo and the Secretary General of the OAS to verify compliance with the agreement.

In support of that Accord, on April 1, 1988, the United States Congress passed Public Law 100-276 directing A.I.D.to administer a program of $17.7 million in humanitarian assistance to the Resistance, $17.7 million in medical care for children affected by the civil strife, and $10.0 million to support the Verification Commission. The humanitarian assistance for the Resistance was to consist only of food, clothing, medical services and supplies, shelter, payment for such items and services, and communications equipment. The children's program (referred to as the Children's Survival Assistance Program or C.S.A.P.) was

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*Deliveries were made through April 30, 1990 to allow for an orderly transition following the Nicaraguan election.
*Reporting on Phase III begins on May 1, 1989, because Phase II deliveries were authorized through April 30, 1989. Although this report covers Phase III to date, special emphasis is placed on December, 1989 - February, 1990 time period, not covered by prior reporting.
**For financial summaries, please see the attachments.

to be administered by private and voluntary organizations (PVOs) and international relief organizations (IROs), and it was required that half the funding for this program be used inside Nicaragua. Separate funding was also provided for transportation of the humanitarian assistance and A.I.D. operating expenses. The funding for humanitarian assistance was available through September 30, 1988 (Phase I), but there was no time limit on use of the funding for the Verification Commission or the childrens medical program.

On September 30, 1988, Congress passed Public Law 100-463, which extended the program of humanitarian assistance for the Resistance through March 31, 1989 (Phase II). That law provided $27.14 million for humanitarian assistance for the Resistance. The eligible items included in the first humanitarian assistance package remained the same with the following exceptions: (1) communications equipment was deleted except for replacement batteries for the existing communications equipment, and (2) non-military training in health, sanitation, and human rights was added. The law also provided $5 Million for medical assistance to victims of the civil strife to be administered by the Nicaraguan Catholic Church, and separate funding for transportation of the humanitarian assistance and for A.I.D. operating expenses. No additional funding was provided for C.S.A.P. or for the Verification Commission.

In response to the Phase II continuation of assistance to the Resistance, the Government of Nicaragua passed a law specifically prohibiting the C.S.A.P. program and the Catholic Church medical program inside Nicaragua. Thus, the Catholic Church's medical program was never initiated, and the C.S.A.P. program in Nicaragua was cancelled shortly after its inception. C.S.A.P. funds that were legally available for activities outside Nicaragua, were used for activities in Honduras and Costa Rica.

On March 24, 1989, the President of the United States and the Congressional leadership signed the Bipartisan Accord on Central America, a document expressing unity in support of democracy, peace, and security in Central America. In furtherance of that accord, Congress passed Public Law 101-14, dated April 18, 1989. That law provided $49.75 million for humanitarian assistance for the Resistance to remain available for obligation through February 28, 1990 (Phase III). The definition of humanitarian assistance remained the same as that for Phase II, with the sole addition of support for voluntary

reintegration or voluntary regional relocation of the Resistance. The law also provided funding for transportation of the humanitarian assistance and for operating expenses of A.I.D. An additional $4.166 million for the medical program of the Catholic Church in Nicaragua was included. Due to the Nicaraguan law cited above, funds for this medical program were also never used, and expired at the end of the fiscal year.

There are two other pieces of legislation which, though not providing assistance to the Resistance, have affected the operations of the Task Force. Public Law 101-119 (October 21, 1989), provided that up to $9.0 million of unexpended program funding ,($3 Million from Phase I funding for the Verification Commission and $6 Million from Phase III humanitarian assistance), could be made available to support free and fair elections in Nicaragua. Pursuant to the terms of that statute the funding was not to be used to finance the campaigns of candidates for public office, but was to assist other election related activities in Nicaragua through grants to the National Endowment for Democracy, the Council of Freely-Elected Heads of Government (Carter Center), the Center for Democracy, the Center for Training and Election Promotion (C.A.P.E.L.), and other organizations. Funds supported international observation, technical election support, non-partisan voter education, and infrastructure for the internal opposition alliance. Subsequent to the February election, activities to institutionalize the democratic process have been implemented through NED with the residual funding.

Public Law 101-215 (December 11, 1989) changed the criteria for the $7.35 million of unobligated funding from the Phase I children's medical care program. That funding remained unobligated because the original U.S. law stated that it was to be used inside of Nicaragua, while Nicaraguan law prohibited its use in the country. The new statute continued use of the funding through PVOs and IROs, but allowed medical care for noncombatant adults as well as children, and for victims of civil strife in Central America rather than just civil strife in Nicaragua. The previous C.S.A.P. program was terminated in December, 1989, and a new program was established by the Bureau for Latin America and the Caribbean of A.I.D., under the name of C.A.S.A. (Survival Assistance for Civilian Victims of the Civil Strife in Central America). With improved relations between the Governments of Nicaragua and of the United States, funding under the C.A.S.A. program can now be utilized in Nicaragua.

Implementation

On April 1, 1988, A.I.D. established a Task Force on Humanitarian Assistance in Central America (T.F.H.A.), to implement this program. This Task Force reported directly to the A.I.D. Administrator. Due to the unique nature of this program, the Task Force was a self contained unit which operated independantly of (but with support from) other A.I.D. organizational units. At the policy level, the Administrator represented A.I.D. at National Security Council (N.S.C.) meetings when it was considering humanitarian assistance. The Task Force Director represented A.I.D. at working level N.S.C. meetings and at the Inter-agency Group on Nicaragua chaired by the State Department's Inter-American Affairs Bureau.

The principles of openness and accountability guided the program. Both Congress and the public were kept informed about program activities. Congressional oversight committees, Senate and House Appropriations, Senate Foreign Relations and House Foreign Affairs, and the Senate and House Intelligence Committees, received regular briefings. The House Select Committee on Hunger also received briefings on the program.

Task Force operations were continually and concurrently monitored by Congress' General Accounting Office (G.A.O.), the A.I.D. Inspector General's Office (I.G.), the private accounting firm Price Waterhouse, and representatives from the Honduran Catholic Church. The A.I.D. Inspector General contracted with the private audit firm of Price Waterhouse to guarantee the integrity of the program. During Phase III of the program those auditors provided approximately 4,000 man hours per month, and at times in earlier Phases substantially more. Total cost for private audit services throughout the three Phases of the program was around $2,000,000, about 1.35% of program costs. The Price Waterhouse auditors inspected goods delivered, and accompanied nearly all shipments of those goods transported locally in Honduras. They inspected and inventoried international arrivals of medicines and quartermaster, were present at the 10 sites during the distribution of family food rations, were present at all times when A.I.D. warehouse No. 1 was open to record all goods going in or coming out, witnessed the counting of cordobas for the cash for food program, witnessed and obtained receipts for Family Assistance Payments, reviewed the budget for all program support expenditures, and periodically examined the records of

contractors and grantees. The Task Force also made arrangements with the Catholic Church in Honduras to inspect goods being delivered to verify that they were humanitarian assistance as opposed to lethal materials. Satisfactory administration of the program by the Task Force has been cited in audit reports on the implementation of the program during the first two phases from Price Waterhouse, I.G., and G.A.O. The reports contained no recommendations for improvement of program implementation. Similar reports have been received from Price waterhouse and the A.I.D. Inspector General for Phase III, and the GOA reports on that phase are being finalized.

One A.I.D. employee had a fradulent relation with a contractor pre-dating this program. His and the contractor's illegal activities were detected during this period. He was charged, pleaded guilty, and was sentenced to prison.

Pursuant to the Statute, any one person or group of individuals who engaged in offensive military action, or a violation of human rights, were disqualified from receiving humanitarian assistance under this program.

From the program, Resistance members in Honduras received food, clothing, shelter, medical supplies and services, Family assistance payments, batteries for communications equipment; and training in human rights, health and sanitation, and literacy, civics, and vocational subjects. Contracted commercial trucking and air cargo firms delivered the assistance.

No direct in-kind deliveries were possible in Nicaragua. Cash-for-food was provided to address the minimum need for essential provisions of Resistance members located there.

Medical assistance and family assistance payments were provided to the Southern Front in Costa Rica, as the host country government permited. The Atlantic Front consists of the Indian Resistance force known as Yatama, which also received a full complement of humanitarian aid in Honduras.

Since the inception of the program, the Task Force and the Resistance have worked to establish and develop a strong working relationship. The result was continued cooperation and steady improvement in the delivery and management of the humanitarian assistance program. Programs begun during earlier

phases of operation continued to be improved where necessary during Phase III. Between May 1, 1989 and February 28, 1990, T.F.H.A. obligated $43.72 million of the available $43.75 million in humanitarian assistance for Phase III. (This available level does not include the $6.0 million transferred to support the Nicaraguan election process.

Program Elements:

Humanitarian Assistance

During Phase II, the Task Force and the Resistance instituted systems to streamline the procedures for ordering, storing, and distributing humanitarian aid. Seminars and "hands-on" training in warehousing, basic computer use and inventory control, for example, helped bring about marked improvements in the ability of the Resistance to manage the humanitarian supplies it received. In the medical area, overall administration improved, resulting in better care for patients, improved handling of medicines, and upgraded facilities. To ensure the timely delivery of food and other humanitarian aid during the rainy season, drainage structures of the roads and a bridge to Resistance and Yatama encampments were upgraded.

While meeting these more pressing needs, the Phase III program also prepared Resistance members and their families for the eventual return to civilian life by providing them with vocational training as well as civic education. At the end of the program, the Resistance was well fed, clothed, healthy and in good morale to participate in the peace process.

Food: The most nutritious, readily available, reasonably priced supplies of foodstuffs; including rice, beans, plantains, meat, and vegetables were procured in the region. Contracted Honduran commercial trucking firms and air cargo companies delivered this food and other humanitarian supplies. Less accessible locations were reached by helicopter or by airdrops from fixed-wing aircraft.

Streamlined procedures for the management of food, which included separate maintenance of a one-month troop food reserve in the field, proved to be very effective in deterring food shortages during the rainy season. Since May 1, 1989, nearly $10.8 million was obligated to meet the basic food needs of Resistance personnel and their families in Honduras. About 9,500 metric tons of food valued at $9.8 million were delivered in the Phase III by the end of February.

Cash-for-Food: A major obstacle in delivering humanitarian assistance was the inaccessibility of the Resistance forces located inside Nicaragua. Measured amounts of cash in the form of Nicaraguan cordobas were provided to the Resistance forces inside Nicaragua. This cash, which was used by those inside to purchase minimal essential goods such as food, was referred to as "cash-for-food". The policy of the program was not to exceed the level of cash-for-food that was being provided at the time of the Bipartisan Accord, which was enough for approximately 3,500 individuals plus for the couriers which carried it in.

Currency is less bulky and easier to transport than food and allows for the purchase of perishable goods on the local market. Cordobas were purchased outside Nicaragua at a competitive exchange rate. They were then sent by courier to be distributed to the Resistance inside Nicaragua. Payments did not exceed the equivalent of one dollar per person per day, for a 30-day period. The amount of cordobas provided was periodically adjusted for inflation to protect this minimal level of purchasing power.

In the latter months of the program, implementing the cash-for-food program became increasingly problematic. Unprecedented economic deterioration in Nicaragua resulted in a dramatic decline in purchasing power of the cordoba. The exchange rate of cordobas to dollars fell from C12: $1 to over C60,000 to $1, requiring purchases and deliveries of cordobas in the billions. Approximately $1.67 million was obligated in Phase III for the cash-for-food program.

Clothing: Under the program, $4.6 million worth of standard military attire was procured during Phase III. This quartermaster gear included fatigues, boots, ponchos, field packs, canteens, and mess kits. Resistance members received two sets of clothing and a replacement for worn, non-expendable items such as mess kits. Budget planning was based upon a new set of clothing for each individual once every three months. Quarterly inventories assessed availability of quartermaster supplies and determined the requirement for the next order. The gear was procured from the Department of Defense (D.O.D.), which also provided airlift support for transporting these commodities to the civilian airport in Honduras where the non-lethal nature of the goods was observed. These flights,

which also carried medicines, took place monthly to ensure the timely delivery of those medicines. A part-time contract employee at Charleston Air Force Base who was hired to serve as a liaison at the freight terminal greatly improved the oversight of shipping U.S.procured goods. After the February 1990 elections, quartermaster shipments were suspended (with the exception of boots, which were required for health reasons).

Family Assistance Payments: $3.8 million in Family Assistance Payments were provided to senior Resistance members and specialists to defray the basic living expenses of their families while the individual was serving with the Resistance. Family Assistance payments were made for each month in Phase III through March 1990. Some 2,665 persons received payments each month, totalling not more than $352,146 per month. These limits were set by the Task Force based upon Congressional consultations.

The list of persons to be paid was drawn up by the Resistance. The Task Force checked the list to make sure that any changes from prior months, and amounts to be paid, were justified. The amount of the payment depended upon the rank or position of the individual being paid. Most of the payments, approximately 2330, were made each month in Honduras; with around 165 made to Yatama, around 125 in Costa Rica, and around 40 in Miami. Some of the persons on the Family Assistance Payments list were permanently disabled ex-combatants, or widows and orphans of Resistance members killed in action.

Medical supplies and services: Resistance members and their families in Honduras and Costa Rica received medical assistance. In Honduras, the program supported the Resistance Medical Corps which serviced troops, dependents, and support personnel. While some medicines and medical supplies are procured locally in the region, most of the medicines were procured in the United States through the Veterans Administration. There was also a medical evacuation program to the United States, which utilized the services of the Miami Medical Team, for those few cases that required specialized medical care.

The International Medical Corps (I.M.C.) was contracted to assist the Resistance Medical Corps in providing specialized care, referral services in the United States, medical care for the Yatama, prosthetic devices, and medical equipment. The original $3.0 million contract (signed in December, 1988) was incrementally increased by $5.8 million to cover most of the medical support costs for the remainder of the program. Between December 1989 and February 1990, more than 42,000 patient consultations were supported by I.M.C., raising the Phase III total to over 74,000. Much of this increased patient load can be attributed to the November opening of the medical treatment center in Yamales, and increased activity at the dental clinic there. Another 12,816 people were given vaccinations for tetanus, measles, and diphtheria through Creative Associates, Inc. The prosthetics program, an ongoing effort to supply artificial limbs to combatants and their family members, delivered and fitted 71 prosthetic devices in Honduras and Costa Rica from December 1989 to February, 1990; for a total of 807 prosthetic devices since the program began in 1988.

The medical program also cared for members of the Indian Resistance organization known as Yatama. Over $500,000 (almost 10%) of the I.M.C. contract expenditures, for example, supported medical care for Yatama combatants and family members. They were located in the Mosquitia, a remote region on the eastern end of Honduras which borders on the Atlantic coast. Because of the long distances involved in merely reaching medical facilities in the Mosquitia, a clinic was established to serve the Yatama families living in the vicinity of a Yatama encampment. The program also provided support to an existing clinic which serviced the Yatama members and their families in another remote area of the Mosquitia. In the December 1989 to February 1990 period, over 3,800 patients received consultations in the Mosquitia. In addition some Yatama patients received surgery in Tegucigalpa for such treatments as restoration of sight, treatment for cancer, orthopedic surgery, and treatment for urological conditions.

Many major activities to improve the physical facilities and the system of medical procurement were completed during Phase III. Virtually all medicines in the system were inventoried, classified, coded, and entered into a computer system; and the system itself was improved. The computerized system proved to be useful for identifying need and placing orders for medicines and medical supplies.

In July 1989, upgrading of an emergency medical treatment center for Resistance personnel at Capire in the Yamales valley of Honduras began. The importance of this center drastically increased with the September closure of the hospital at Aguacate, which the Resistance had been using for most major medical care. At this improved Capire medical center, the Resistance Medical Corps could perform 100 surgeries a month, and an additional 100 could be performed by visiting surgeons from the Miami Medical Team and elsewhere.

The Task Force also introduced improvements in the procurement of medicines from the United States. Although only one large order was placed for Phase III, this order was broken down into three parts so as not to overload the Resistance medical distribution system. Shipments to Honduras were made on a monthly rather than quarterly basis, providing a more even flow of medicines. A pharmacist from the U.S. Department of Defense on loan to the Task Force was made available to provide a full-time technical interface with the Veterans Administration (V.A.), through which medicines were procured, and with Task Force offices in Washington D.C. and in Honduras. The pharmacist was able to establish and maintain contact with the medical suppliers, and make sure all products were in place for monthly shipments out of Charleston S.C. Her efforts enabled the Task Force to get large orders from the field processed and shipped on time, to get discrepancies resolved, and to have orderly review and payment of V.A. bills. Also, the liaison at Charleston Air Force Base (mentioned above) continued to monitor the medical shipments there. By mid February, all medicines ordered from the United States had been shipped to Honduras.

In Costa Rica, the program supported a small medical care system utilizing private clinics, private practitioners, and provided basic health services at a recuperation facility for injured and ill Resistance personnel. Major health and sanitation improvements to the facility, such as the installation of new toilets, wash basins and purchase of screens for the dining area, were completed. The Costa Rica medical grant was funded on a quarterly basis, and over $1.5 million was obligated in Phase III to cover costs through April. Patients requiring regular medical care were discharged from the facility by that time, and only the very severly wounded and permanently disabled remained. In Costa Rica the Government was supportive of a program in which permanently

disabled Resistance members were provided with vocational training in labor-shortage areas such as industrial sewing and upholstering. Trainees were provided with on-the-job training and those that succeeded were then offered employment, usually in the same factory where they were trained. This arrangement served both parties. The disabled receiveed self-sustaining employment, and Costa Rica filled a labor shortage. The facility is being maintained through July for individuals not able to care for themselves while arrangements are being made to repatriate them back to Nicaragua.

There are also several hundred Resistance members who are permanently disabled living at a rented ranch in Honduras known as Rancho Grande. The Task Force program did not establish that facility but has supplied them with humanitarian assistance, physical therapy, and vocational training. This program is also being maintained through July while a procedure is being worked out for their repatriation to Nicaragua.

Communications: Although purchase of communications equipment was no longer authorized after Phase I, batteries for communications equipment were still eligible. During Phase III, over $56,800 worth of batteries were supplied and delivered.

Training: Task Force experience as well as audit reports on the delivery system had indicated the need for improving the capability of the Resistance to receive, distribute, maintain, and account for food, clothing, medicines, equipment, and supplies provided under the humanitarian assistance program. In Phase II, Creative Associates International, Inc. was contracted to help the Resistance improve its management performance through hands-on, competency-based training in areas where administrative and management weaknesses were apparent. This training resulted in improvements ranging from better warehouse management to improved record keeping and more dependable maintenance of food distribution vehicles.

Phase III legislation (Public Law 101-14) provided for the use of funds for voluntary relocation and voluntary repatriation. The Task Force, under that authority, began preparing Resistance members for eventual return to civilian life by providing them with literacy, vocational, and civics training.

In Phase III, an additional $4.5 million was added to the Creative Associates contract to expand their training centers from one to three locations to conduct this increased level of training.

Civics training was provided to Resistance members to give them a better understanding of their own country, and of the true meaning of democracy. For example, almost none of the students had participated in secret voting, and the concept of expressing their political desires through the use of the ballot was alien to them. Once this concept was explained in the civics training, the students expressed that for the first time they understood why suffrage is an integral part of the democratic process.

Creative Associates also carried out skills training for the disabled. In Costa Rica, training was conducted in two existing training centers, one run by the Government of Costa Rica and another run by a private Costa Rican organization. At Rancho Grande in Honduras 33 disabled ex-combatants received courses ranging from literacy to vocational skills.

In Phase III, some 5,300 persons received some type of training. At the end of 1989 and during early 1990 many of the Resistance members had gone back into Nicaragua, leaving behind their dependants and families. The training emphasis then shifted to mother/child health care training for those individuals, and the training centers were turned into community health centers.

In addition to the more obvious benefits, the training courses have given an important boost to morale. In all areas of training, students worked extra hours and used their time off to further enhance their skills. They also regularly wrote trainers long letters of appreciation, referring to their new skills and hopes for the future. Without exception, they asked for more training.

At the end of the program, the Resistance and their families were better educated, trained and prepared for reintegration into civilian life.

Environmental Activities: The environmental impact of the Resistance and their families in Honduras during Phase III was insignificant in relation to the effect of much larger numbers of Hondurans settling on new lands and practicing slash-and-burn agriculture in their own country over the decades. However, the Task Force and the Resistance, mindful of the need to minimize adverse environmental activity in Honduras, have planted over 35,000 trees covering 61 acres; more than replacing the trees that were used for shelter and cooking. Some 100,000 additional trees are now growing in nurseries in the Yamales valley, and arrangements for getting them planted in the upcoming rainy season are in place.

Human Rights: Legislation for Phases II and III authorized non-military training for the Resistance with respect to their treatment of civilians and other armed forces personnel, in accordance with internationally accepted standards of human rights. The Nicaraguan Association for Human Rights (A.N.P.D.H.) and the Nicaraguan Resistance carried out human rights training activities under the program.

A.N.P.D.H. is a nonprofit, independent group that had trained, monitored, investigated and reported on the human rights record of the Resistance for two years under a State Department grant. Through a cooperative agreement in the amount of $843,000, A.N.P.D.H. continued its human rights training. Since October 1, 1988, A.N.P.D.H. trained over 9,000 Resistance members on the proper treatment of prisoners of war and civilians, according to the Geneva Convention and the United Nations' Universal Declaration of Human Rights.

The Nicaraguan Resistance provided related training through its Fiscalia Militar, or Military Prosecutor's Office. The Task Force provided around $450,000 through its grant to the Resistance to support this human rights program. Under this agreement, the Resistance provided instruction to over 10,000 combatants on the Resistance's own Code of Conduct and its military justice system.

In 1990, the curricula was adjusted to include human rights in the civilian setting.

Children's Survival Assistance Program (C.S.A.P.)

A major component of the first law (Public Law 100-276) provided $17.7 million for medical and related care to children affected by the Nicaraguan civil strife. That law mandated that assistance to children be channeled only through non-political private and voluntary organizations (P.V.O.'s) or international relief organizations (I.R.O.'s). At least half the aid was to be delivered through organizations operating inside Nicaragua, but none of this assistance could be provided to or through the Government of Nicaragua. No additional funds for these activities have been authorized under subsequent legislation.

A major restructuring of the C.S.A.P. program became necessary after the Government of Nicaragua enacted a law in October 1988 that outlawed acceptance of certain U.S. Government assistance, including the children's survival program. The penalty for violation of this law is from 4 to 12 years' imprisonment, the equivalent of the punishment for treason in Nicaragua. As a result, C.S.A.P. activities closed down in Nicaragua, and the program concentrated activities in neighboring Honduras and Costa Rica.

C.S.A.P. organizations deserve high praise for their accomplishments under the program. Their commitment and flexibility, in the face of significant political and programmatic frustrations, enabled them to assist a quarter of a million people in a very short time. Approximately $1.2 million of C.S.A.P. goods and services were purchased for use in Nicaragua before the October 1988 termination. The majority of the items including medicines, vehicles, office equipment, clothing, food, and personal hygiene items were diverted before reaching Nicaragua; and were used in alternative C.S.A.P. related activities in Costa Rica or Honduras.

Full scale implementation of C.S.A.P. continued throughout 1989. Since the inception of the program, an estimated 240,000 individuals benefited from the program. As the program progressed, beneficiary needs were falling more into the lower priority non traumatic category of general medical care requirements. As a result, it was decided to terminate delivery of services under C.S.A.P. on December 31, 1989. Public Law 101-215, signed on December 11, 1989, constituted a revision to the C.S.A.P. legislation. Language requiring that half of the funds be spent in Nicaragua was modified and

beneficiary eligibility was broadened to cover non-combatant victims of the civil strife in Central America. Implicit endorsement of more indirect general health care was provided. PVOs and IROs are still to administer the program, and the program interventions remain as outlined in the original C.S.A.P. legislation. A.I.D.'s Bureau for Latin America and the Caribbean is responsible for implementing the new program.

Administrative and program structures are in place for this follow-on program, now called Survival Assistance for Civilian Victims of the Civil Strife in Central America (C.A.S.A.). Under C.A.S.A., the A.I.D. Mission in Honduras has decided to continue support to two C.S.A.P. programs. They are the Pan American Development Foundation orthopedic/reconstructive surgery project and the World Rehabilitation Fund prosthetic manufacturing/rehabilitation services project. Both organizations have continued to identify patients and deliver services. Approximately 300 individuals have benefited from this effort.

Verification Commission

The Verification Commission consisting of Joao Clemente Baena Soares, Secretary General of the Organization of American States (O.A.S.), and Cardinal Miguel Obando y Bravo, leader of the Nicaraguan Catholic Church, was established by the Sapoa Accord, and $10.0 million in support was authorized under Phase I, (Public Law 100-276). The role of the Verification Commission is to verify all aspects of the Sapoa Agreement, including compliance with the cease-fire, delivery of strictly humanitarian aid, progress toward democracy, provision of amnesty, and election monitoring.

About $2.45 million had been spent by the Commission from May 1988 to the end of 1989. Although the Verification Commission functioned at a much lower level than originally anticipated, it recently became involved in observing the election process, and in assisting with the peace process. The O.A.S. for example, used an additional $2.0 million to verify the election process in Nicaragua. The OAS also was advanced $500,000 to extend election observers and prepare for the repatriation process. In addition, the Commission will play a key role in the voluntary repatriation or relocation of Resistance members, families, and supporters. The Catholic Church, working with

U.N.O. and the Resistance, is assisting to verify the voluntary repatriation of the Resistance, to assure that their rights are not violated. $1.5 million was tentatively reserved for this purpose. As noted above, $3 Million of the original $10 Million appropriated to support the Verification Commission was utilized to support the Nicaraguan election, in accordance with Public Law 101-119. Of the remaining $7 Million, $3 Million has been provided to the OAS, and $4 Million to the Cardinal.

Although the Verification Commission did not play the role of verifying activities in the Sapoa cease fire zones as originally planned, it has and continues to make a significant contribution to the peace process by verifying the cease-fire, observing the elections, and overseeing the present repatriation.

Election Support

Funding to support a fair campaign and honest election in Nicaragua, was transferred from unused funds from the Humanitarian Assistance program, and from the Sapoa Verification Commission. The A.I.D. Bureau for Latin American and Caribbean and the Task Force on Humanitarian Assistance shared responsibility for implementation of this election assistance.

Pursuant to P.L. 101-119, A.I.D. funded activities by various organizations to promote free, fair, and open elections in Nicaragua. (See Attachment E) A total of $7.4 million was provided to the National Endowment for Democracy (NED) to support activities through U.S. and Nicaraguan subgrantees. A.I.D.'s grantees sought to channel over $4 million in goods, funds, and technical help to Nicaragua's democratic alliance, labor unions, and civic groups, that have vigorously taken advantage of recent democratic openings. A.I.D. funded five observer groups (not including U.S.-supported O.A.S. mission) to help ensure a free and fair process. Virtually all programs were subject to a concurrent audit by independent accounting firms, and G.A.O. auditors closely monitored the activities.

Programs were carefully crafted to meet Congressional intent that this money be spent with the same strict accountability demanded of the Resistance aid program. Also, A.I.D. was given the task of assisting a Nicaraguan political coalition during an election period without directly aiding the campaign. In

one month after the legislation was passed, working with nine grantees, A.I.D. helped design $8 million in projects that stood up to the scrutiny of the I.G., G.A.O., and Congressional oversight committees.

About $2.1 million was provided through the National Democratic and Republican institutes for international affairs (NDI/NRI) to the Union Nacional Opositora (UNO) to enable it to perform normal party functions, such as communicating with activists, party building, get-out-the vote drives, etc. These resources included office space, office equipment and supplies, vehicles, and non-campaign support staff. None of these funds were to be used for media promotion of a political party or to finance the campaign of any candidate for public office. Under Nicaraguan law, any foreign contribution to a political party had to be matched with a payment to the Supreme Electoral Council (S.E.C.) intended for technical support of the electoral process. Approximately $2.1 million was provided in payment of the S.E.C. "tax".)

Approximately $1.3 million was provided to a Nicaraguan civic group known as the Instituto de Promocion y Capacitacion Electoral (I.P.C.E.) to encourage participation and confidence in the electoral process. Civic education programs expounded on the benefits of pluralism and self-government. Efforts to verify voter registration lists were undermined because funds were not allowed to reach I.P.C.E. in time to develop this program. None of these funds were to be used to finance the campaign of any candidate for public office.

Support for the group known as Via Civica and for Nicaragua's labor movement were not fully realized because these groups were not able to register the foreign contributions as required by Nicaraguan law. However, some activities by these groups, which were supposed to be supported under this program, were funded by U.S. counterparts; and NED is now considering reimbursing the organizations for certain eligible costs.

Other grants to the Carter Center ($503,000), the Center for Democracy ($397,000) and the Center for Electoral Promotion and Training ($400,000), and Freedom House ($82,000) supported observation of and technical support for the electoral process. In addition, A.I.D. retained two personal services contractors to assist in monitoring election related programs in Nicaragua.

In order for aid to reach internal groups, A.I.D. and its grantees had to rely on the good faith of the Nicaraguan Government. Unfortunately, through much of December and most of January, the Government of Nicaragua apparently imposed a bureaucratic blockade against this aid. Only after the Sandinistas made a political decision to allow the aid to reach the opposition, and pledged to do so to former President Carter, did the obstacles come down. As a result, most of the aid did not reach internal groups until early January, severely undermining efforts to ensure a free and fair process. However, internal groups have indicated that the funds played a pivotal role at a critical time in encouraging public confidence in and enthusiasm for the democratic process. Some unexpended funds will be used by NED to support democracy-building activities until December 31, 1990.

THE PHASE III PEACE PROCESS*

On August 7, 1989, the five Central American presidents signed an accord at a summit held at Tela, Honduras, calling for the voluntary demobilization, repatriation, or relocation of the Nicaraguan Resistance by December 8, 1989. This Tela Accord established a new International Commission for Support and Verification (C.I.A.V.), composed of the Secretaries General of the United Nations (U.N.) and of the Organization of American States (O.A.S.), to implement and verify the repatriation process. In exchange for prompt and free elections, the accord urged the Resistance to accept the demobilization plan within 90 days of C.I.A.V.'s creation, during which time the Sandinistas and C.I.A.V. were to hold direct talks with the Resistance to promote their return to Nicaragua and join the political process. The CIAV parties accepted this mandate and began the negotiations with the Resistance and the Government of Nicaragua. The 90 day period passed, however, and the peace process remained in this preliminary negotiation stage through April of 1990.

On February 25, 1990 the Nicaraguan election was held, which resulted in a victory for the National Opposition Union (U.N.O.). This election was closely monitored by the U.N., and by organizations such as the OAS and the Carter Center which were supported by funds provided by the program. The victor of the elections (President Violeta Chamorro) was inaugurated on April 25, 1990.

The A.I.D. Task Force began discussions with the CIAV parties in the fall of 1989 to see what could be done to further the CIAV repatriation program for the Resistance. The Task Force had reserved $10 million in its budget to finance this process, and wished to provide that funding to CIAV as called for in the TELA Declaration. THE CIAV parties, at that time felt that the Resistance was taking a wait-and-see attitude, and that the political climate was not right for the initiation of demobilization and repatriation activities. This situation started to change, however, at the end of February when the opposition party won the election in Nicaragua. Their was still skepticism on the part of the Resistance and others that the Sandanistas would hand over political power to the opposition, but there was a real interest in reintegration of Resistance members into civilian society should that happened. The statutory authority of the Task Force to obligate funding from P.L. 101-14 expired on February 28, 1990. The Task Force, seeing that the CIAV start-up was going slower than anticipated, and after consultations with Congressional staff, purchased enough food in February to keep the Resistance in Honduras supplied through the month of April. During March and early April Task Force members concentrated their efforts on briefing the CIAV parties on feasable methods of supplying basic necessities to the Resistance. The Task Force offered to make all of its property and facilities available to CIAV to assist in the program, introduced CIAV to its contractors for the training and medical activities, and shared information with CIAV as to where the Resistance was located and in what numbers. Finally in April both CIAV parties decided to activate humanitarian assistance supply operations to Resistance members who were ready to participate in the demobilization process. OAS/CIAV began operations inside Nicaragua through its existing organization with assistance from PAHO, and UN/CIAV stared operating in Honduras through UNHCR. Both organizations made international funding appeals to help finance the operations, and the A.I.D. Task Force contributed from already obligated funding around $1,350,000 to OAS/CIAV and $2,000,000 plus a one month food reserve to UN/CIAV to get the process started. By the end of April 1990, the CIAV, parties had taken over the program of supplying humanitarian assistance to the Resistance, and the demobilization and repatriation process had begun. The A.I.D. Task Force finished its close out operations during May and June, and was disolved June 29, 1990.

ATTACHMENT A

THREE PHASE FINANCIAL SUMMARY

HUMANITARIAN ASSISTANCE PROGRAM SUMMARY

Amounts ($000)

Program Element

As of February 28, 1990

PHASE I (4/88 - 9/88)	Legislative Ceiling	Cumlative Oblig.
Humanitarian Assistance	17,700	16,250
Operating Expenses	2,500	2,129
Transportation	Unlimited	3,318
Child Survival**	10,350	10,321
Verification Commission*	7,000	7,000
Nicaraguan Elections*	3,000	3,000
Sub-Totals	47,550 (+ trans)	42,018
PHASE II (10/88 - 3/89)		
Humanitarian Assistance	27,140	22,827
Operating Expenses	4,000	2,462
Transportation	Unlimited	2,626
Church Health Project	5,000	---
Sub-Totals	36,140 (+ trans)	27,915

PHASE III (4/89 - 2/90)

Humanitarian Assistance*	43,750	43,725
Operating Expenses	5,000	4,343
Transportation	7,686	5,761
Nicaraguan Elections*	6,000	5,961
Church Health Project	4,166	---
Sub-Totals	66,602	59,790

*In November 1989, $3.0 million was transferred from Verification Commission funds, and $6.0 million was transferred from Phase III Humanitarian Assistance funds to support the election process in Nicaragua.

** $7.35 million was transferred from C.S.A.P. to C.A.S.A.

ATTACHMENT B

PHASE III ASSISTANCE PROVIDED MAY 1, 1989 - FEBRUARY 28, 1990

	Obligations	Estimated* Accrued Expenditures**
HUMANITARIAN ASSISTANCE		
Food	$10,846,323	$9,457,594
Cash-for-Food	1,668,552	1,411,540
Family Assistance Payments	3,819,428	3,169,314
Clothing	4,604,711	4,250,900
Medical Supplies and Services	11,525,753	8,556,893
Shelter	498,665	436,505
Program Support	1,984,033	2,454,359
Batteries for Communications	56,857	41,285
Relocation Support (incl. Training	8,094,599	4,407,041
Human Rights Training	625,676	787,736
TOTAL HUMANITARIAN ASSISTANCE	$43,724,597	$36,353,950
TRANSPORTATION	$ 5,760,981	$4,189,094
VERIFICATION COMMISSION***	$ 7,000,000	$2,446,697
CHILDREN'S SURVIVAL ASSISTANCE PROGRAM***	$10,320,666	$5,099,475
NICARAGUAN ELECTION SUPPORT	$ 8,961,000	$_____

*Accured - Expendures data current as of June 25.
**Obligations are shown for the period May 1, 1989 - February 28, 1990. Some of the expenditures shown for this period were from funds obligated in Phase II (October 1, 1988 - March 31, 1989). Thus, in some instances, expenditure figures may be higher than the obligation figures.

***Cumulative since April 1, 1988.

ATTACHMENT C

PARTICIPANTS AND ACTIVITIES OF THE CHILDRENS SURVIVAL ASSISTANCE PROGRAM THROUGH DECEMBER 31, 1989

PARTICIPATING PVO/IRO	PROJECT ACTIVITIES
H O N D U R A S	
World Rehabilitation Fund	Prosthetics and rehabilitation services.
Pan American Development Foundation	Rehabilitative/orthopedic surgery.
Project Hope	Improve facilities; provide medicines and health training.
United Nations High Commission for Refugees	Provide building materials, food, medicines, and hygiene items.
C O S T A R I C A	
Catholic Relief Services	Provide medicines.
CARE	Provide medical services and supplies, primary health care training, and food.

ATTACHMENT D

VERIFICATION COMMISSION

Division of the two organizations OAS and Cardinal Obando that comprised the Verification Commission:

Obligation was processed for $10,000,000 later on May 18,89 was reduced by $3,000,000 to a new total of $7,000,000.

	OAS	CARDINAL OBANDO
Obligation	3,000,000	4,000,000
Expenditures	2,929,603	3,236,694

ATTACHMENT E

NICARAGUAN ELECTION SUPPORT

(PL 101-119 Obligations and Expemditures)

Organization	Obligations	Expenditures[a]
AID Grantees		
National Endowment for Democracy (+ Reserve)	$1,067,234	40,074
Council for Freely Election Heads of Government	502,760	166,161
Center for Democracy	397,240	219,541
Center for Electoral Promotion and Training	400,000	118,464
Freedom House	82,000	82,000
A.I.D. Oversight (2 PSCs and Audit)	144,000	144,000
Endowment Grantees		
National Democratic Institute	1,200.000	1,142,511[b]
National Republican Institute	1,200,000	1,145,252[b]
American Institute for Free Labor Development	89,763	77,240
International Foundation for Electoral Systems	- 0 -	0[c]
Endowment Sub-Grantees in Nicaragua		
Union National Opposition	1,792,175	1,719,189
Institute for Election Control and Promotion	1,521,330	1,060,519
Confederation for Labor Unity	403,250	340,000
Via Civica	200,000	27,719
Total		6,224,842
Amount Unexpended		2,775,158
Total Available	9,000,000	9,000,000

[a]Figures for A.I.D., Freedom House, the Confederation, the American Institute and Via Civica reflect expenditures charged as of May 31, 1990; for the Endowment and CAPEL as of April 30, 1990; and for the remaining groups as of March 31, 1990.
[b]Includes $815,000 paid to the Supreme Electoral Council for taxes.
[c]Figures reflects zero because the Foundation used other funds to cover expenses incurred for Public Law 101-119 oversight.