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The Key Documents organized upon the Phase out of the Task Force for Humanitarian Assistance (TFHA) are contained in four Volumes. Volume 4 contains the office position descriptions and office procedures. The contents of the first three volumes are as follows.

VOLUME I	VOLUME II	VOLUME III
charter & Delegations	Family Assistance	Elections
statutes bipartisan Accord	cash For Food	Program Support
Peace Agreements	Verification Comm.	Reports
TFHA Policies	Human Rights	
Legal Opinions	Medical Program	
Accountability		

VOL. 3

Bob

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

NOV 24 1989

Mr. Carl Gershman
President
National Endowment for Democracy
1101 - 15th Street, N. W. Suite 203
Washington, D. C. 20005

Subject: Grant No. SPO-0000-G-SS-0005-00

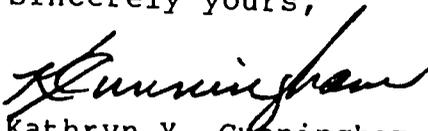
Dear Mr. Gershman:

Pursuant to Public Law 101-119, approved by the President on October 21, 1989, the United States of America, acting through the Agency for International Development ("A.I.D.") hereby grants to the National Endowment for Democracy (the "Grantee") a sum not to exceed seven million, six hundred eighty-five thousand dollars (\$7,685,000) to be used to assist the promotion of democracy and national reconciliation in Nicaragua, primarily through the provision of assistance to support free and fair elections in that country. These funds shall be used as illustrated in the Financial Plan shown in the Grant Schedule, Attachment 1, for the activities shown in the "Program Description," Attachment 2.

The Grant will be subject to the general oversight, requirements, and conditions established by or pursuant to the National Endowment for Democracy Act, 22 United States Code, Chapter 54, Subchapter II (the "Act"). In addition, the Grant will be subject to the same general terms, conditions, and specification as contained in U.S. Information Agency Grant No. IA-PXGT-G919-3505 dated October 31, 1988, accepted by the Grantee on November 9, 1988, under Section 503 of that Act, 22 U.S.C. 4412 ("USIA Grant"), and shall be managed and monitored in the same manner as that grant (Attachment 3). Should any of the terms in Attachment 3 not be consistent with those in Attachments 1 or 2, the latter will prevail.

Please acknowledge receipt and acceptance of this Grant by signing all copies, retaining one for your files, and returning the remaining copies to this office.

Sincerely yours,


Kathryn Y. Cunningham
Grant Officer
AID/W Projects Division
Office of Procurement

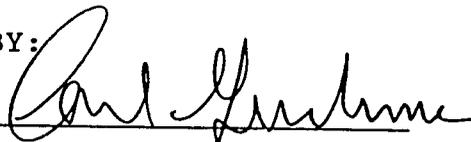
Enclosures:

1. Schedule
2. Program Description
3. USIA Grant
4. A.I.D. Letter of Credit Provisions

FISCAL DATA;

PIO/T: 594-0000-3-99012
Project No.: 594-0007.04
Approp. No.: 72-119/01038
Budget Plan Code: VRR99029594KG13
Amount Obligated: \$4,685,000
Approp. No.: 72-11X1038
Budget Plan Code: VRRX9029594KG13
Amount Obligated: \$3,000,000
Total Amount Obligated: \$7,685,000
Total Estimated Amount: \$7,685,000
Technical Office: TFHA
DUNS No.: 13-227-9084
IRS Employee ID: 52-1344831

ACCEPTED BY:

 Date: November 27, 1989

TYPED NAME: Carl Gershman

TITLE: President

Schedule

A. Purpose of Grant:

The purpose of this Grant is to contribute to the promotion of democracy and national reconciliation in Nicaragua, primarily through provision of assistance to support free and fair elections in that country.

B. Period of Grant:

The effective date of this Grant is October 1, 1989 and the expiration date is May 31, 1990, unless otherwise agreed in writing by A.I.D. and the Endowment. Funds obligated hereunder are available for program expenditures within those dates as shown in the financial plans described in (D) below.

C. Amount Obligated and Payment:

A.I.D. hereby agrees to obligate an amount up to \$7,685,000 for the purposes of this Grant. Payment will be made to the Grantee in accordance with the procedures set forth in the A.I.D. Standard Provision entitled "Payment - Letter of Credit," which is Attachment 4.

D. Financial Plan

Funds obligated under this Grant will be used by the Grantee to award subgrants for the purposes described in Attachment 2 and for the Grantee's administrative costs. The detailed financial plans shown in Attachment 2 have been reviewed and approved by A.I.D., and are summarized below. The "Reserve Fund" shall be used by the Grantee to supplement the approved subgrant programs as necessary, in a manner consistent with the activities and program objectives described in Attachment 2, and with P.L. 101-119. The Grantee will notify the A.I.D. project manager of the purpose and the disposition of the Reserve Fund within ten (10) days following its use to supplement subgrant awards.

In addition to modifications to subgrant amounts for supplementing approved programs from the Reserve Fund as described above, the Grantee may make adjustments between line items 1a, 1b, and 1c as shown in the Summary Financial Plan which increase or decrease the amount of the subgrant awards up to 15 percent of the amount indicated in the plan without further review by A.I.D.

Summary Financial Plan

1. Subgrant Awards

a. NDI/NRIIA

IPCE

Monitoring	\$844,200	
Administration	97,330	
Voter Participation	119,600	
Voter & Civic Education	376,100	
Infrastructure	37,150	
Post-Election Activities	<u>50,000</u>	\$1,524,380

UNO

Grant Oversight	\$ 50,950	
Infrastructure	<u>1,790,225</u>	1,841,175

NDI/NRIIA Management Costs

Oversight	\$602,720	
Civic & Voter Education	<u>155,000</u>	<u>757,720</u> \$4,123,275

b. IFES

Via Civica	\$200,000	
IFES Administrative Costs	<u>20,000</u>	220,000

c. FTUI

Activists	\$93,250	
Education	62,000	
Educators & Observers	68,000	
Transportation	80,000	
Supplies & Equipment	40,000	
Media & Public Information	30,000	
Monitoring	30,000	
Overhead (AIFLD, 22.26%)	<u>89,763</u>	493,013

d. Reserve Fund

\$2,751,312

2. NED Administrative Costs*

97,400

TOTAL

\$7,685,000

*Administrative costs shall only be those actual costs expended by NED not to exceed \$97,400.

E. Audit Requirements

1. Pre-Award Certification. The Grantee shall ensure that prior to disbursement of grant funds by itself or its subgrantees to a foreign subgrantee or organization, notification will be provided to the A.I.D. project manager. The Inspector General of A.I.D. or his designee will review the foreign organization's accounting system, and A.I.D. will then advise the Grantee when funds may be disbursed.
2. Concurrent Audit. Throughout the grant period, the Grantee shall ensure that it or its subgrantees engage a qualified audit firm to conduct a concurrent audit of the financial transactions of any foreign subgrantee or organization receiving grant funds. To facilitate the concurrent audit, subgrants shall require that funds provided to foreign organizations under this Grant shall be kept in a bank account separate from all other monies. Subgrants shall also require that the audit firm report in writing no less than once a month to the subgrantee, with a concurrent copy to the Endowment, which in turn shall furnish it to A.I.D.
3. Annual Audit. The Grantee shall ensure that funds expended by itself or U.S.-based subgrantees for administrative, management, and/or overhead costs are included in the annual audit of each organization as required by the USIA grant, Article IV, Section E.
4. General Accounting Office Audit. The Grantee shall ensure access by the General Accounting Office to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and its subgrantees to facilitate audit of this grant. All such books, accounts, records, reports, files, papers, and property of the Endowment and its subgrantees shall remain in the possession of the Endowment or its subgrantees.

F. Reporting Requirements

1. Briefings. Recognizing that this activity is of brief duration and that operational problems must be resolved as they occur, the Grantee shall ensure that its staff and that of its subgrantees shall be available for routine or extraordinary briefings with the A.I.D. project manager, particularly following travel to Nicaragua for project monitoring purposes. The Grantee shall ensure that subgrants require subgrantee in-country project managers to confer as needed with the A.I.D. in-country project monitor.

2. Monthly Reports. The Grantee shall submit to the A.I.D. project manager written progress reports covering the calendar months of October/November 1989, December 1989, January 1990, February 1990, March 1990, and April 1990. Monthly reports will be due 45 days following the end of the reporting period. Such reports shall include, where available,
 - a. brief narrative reports from subgrantees describing the actual project activities, results and accomplishments, problems identified and methods in which they were resolved;
 - b. financial reports from subgrantees comparing amounts budgeted with amounts expended;
 - c. financial report prepared by the Grantee summarizing the overall status of the grant.
 3. Final Report. Within ninety (90) days after the expiration date of the Grant the Grantee shall submit to the A.I.D. project manager a detailed final report covering all aspects of the project.
- G. Allowability of Costs
1. Allowability of costs incurred under this Grant shall be determined generally in accordance with Office of Management and Budget Circular A-122, "Cost Principles for Nonprofit Organizations," except that all requirements for prior approval of specific items of expenditure normally required under the Circular are waived, irrespective of whether the item appears in the approved financial plan.
 2. The Grantee shall ensure that all subgrants contain the following guidelines for the use of funds to comply with P.L. 101-119. The following are examples of unallowable activities and related costs for which grant funds cannot be expended:
 - a. Direct appeals for support to the electorate on behalf of or by any political party or candidate for public office.
 - b. Any media message that endorses or supports a political party or candidate for public office.
 - c. Any payments to individuals that are intended to influence their votes.
 - d. Any direct contribution to a political campaign.
 - e. Any communications goods (i.e., t-shirts, flags, banners, posters, literature, buttons) that endorse or support a candidate for public office or a political party.

- f. Any salary or other payments to an individual for work not related to activities permitted under this grant.
- g. Any salaries or compensation to candidates, political party leaders, or campaign officers.
- h. Public meetings that endorse or feature a candidate for public office.
- i. Private polls designed to develop political campaign strategies in favor of a candidate, political party, or alliance.

H. Procurement

The Grantee shall ensure that procurement of goods and services by its subgrantees will be in accordance with the following guidelines. All procurement actions will be made on a competitive basis whenever practicable involving a solicitation, whether orally or in writing, from multiple sources.

1. All procurements in excess of \$500, or the equivalent thereof in local currency, shall be authorized in writing by an individual designated by the subgrantee to authorize procurement. This authorization shall contain a clear description of the items or services to be purchased, a justification explaining their relevance to the project, specify the general method of procurement to be used, and state who will make the purchase.
2. All procurement actions involving a total value of goods or services of \$10,000 or more will be made on a competitive basis whenever practicable, involving a solicitation, whether orally or in writing, from at least three sources. Normally the vendor offering the lowest price will be selected, however, factors such as availability of specified items, unavailability of alternate vendors, expedited delivery, availability of service facilities in Nicaragua, compatibility of equipment and goods with other items already in service, or superior warranty may justify selecting a vendor other than the one offering the lowest price. Procurement documents will state the reason for the selection of the vendor.
3. The source and origin of goods and services procured will be the United States, Nicaragua, and free world countries. Small quantities (up to U.S.\$500 or the equivalent in local currency per purchase) of urgently needed consumable items from other source and origin readily available in Nicaragua may be purchased if comparable items of preferred source and origin are not available.

4. For each procurement over \$500 the procuring organization will maintain a file containing the authorizing document, a short statement describing how the procurement was conducted, which sources were solicited, the basis for award, the method for determining the reasonableness of the price, and a copy of the actual invoice.
5. The Grantee will ensure that its subgrants to NDI/NRIIA require the use of a procurement services agent to purchase nonexpendable property for Nicaraguan organizations in accordance with items 1 through 4 above.

I. Ownership and Use of Nonexpendable Property

The provisions of Office of Management and Budget Circular A-110 "Uniform Administrative Requirements, Attachment N" shall apply to any property purchased by the Grantee or subgrantees with Grant funds. Title to such property shall vest in the intended user, as designated by the Grantee. Pursuant to Section 6(a) of the Circular, the Grantee will reserve the right to transfer title, with the prior written approval of A.I.D., for items of nonexpendable personal property having a unit acquisition cost of \$1,000 or more, when in the judgment of the Grantee those items can no longer be used by the title holder or for the intended purpose.

J. Interest Earned on Grant Funds

The Grantee and all U.S. subgrantees will maintain advances of federal funds in interest bearing bank accounts, and will remit any interest earned in excess of \$100 per year to A.I.D. for return to the U.S. Treasury. Advances to foreign organizations will be kept to a minimum to cover operating capital, but those organizations will not be required to maintain such advances interest bearing bank accounts. If those foreign organizations do in fact earn interest on such advances, the interest earned in excess of \$100 per year shall be returned to A.I.D. for return to the U.S. Treasury.

- K. Any reference to USIA in Attachment 3 shall deem to read A.I.D.

NATIONAL ENDOWMENT FOR DEMOCRACY
PROPOSAL ON NICARAGUA

Nicaragua is scheduled to hold presidential, legislative and municipal elections on February 25, 1990. Under the terms of the regional peace accords signed last February at Tesoro Beach, calling for free, pluralistic and fair elections, the Nicaraguan government revised its electoral and information laws. The Nicaraguan democratic opposition criticized these reforms, charging that the revisions were passed without consideration of opposition demands and that both laws left the Sandinistas with considerable control over both the voting process and the media.

In response to opposition demands, on August 3-4, 1989, the Nicaraguan government convened a National Dialogue between the Sandinistas and representatives of 20 opposition parties to negotiate the legal and political conditions necessary for the development of a free and fair electoral process. As a result, the democratic opposition obtained a number of significant concessions from the government, including a moratorium on the military draft; advancement of the inauguration date from January 1991 to April 25, 1990; and additional reforms of the media and security laws. Despite these and other gains, the negotiations did not result in any changes in the composition of the Supreme Electoral Council (the electoral body responsible for implementing and overseeing the Nicaraguan electoral process), which the opposition and international community have repeatedly criticized as politically imbalanced toward the Sandinista party. In addition, other significant opposition demands remain unfulfilled.

While many of the opposition parties boycotted the 1984 elections, it now appears that the democratic parties and civic opposition groups will participate in the upcoming elections despite continued doubts about Sandinista commitments to conduct a free and fair process. On June 26, 1989, 14 opposition parties -- representing a broad spectrum ranging from the Conservative Party to the Communist Party -- formed the United National Opposition (UNO) to promote peaceful democratic reform and to actively participate in the February 1990 elections. In addition, a number of nonpartisan civic groups representing women, youth, labor, teachers, professionals, and business are currently coordinating their efforts to provide civic education and promote voter participation in the electoral process in order to achieve a truly democratic opening.

The democratic parties and civic organizations in Nicaragua face an awesome challenge. The ruling party not only controls the electoral apparatus, but also has the capability to deny critical resources such as paper, gasoline, and electricity. The economic devastation of the country has made such resources especially scarce, and it has also decimated whatever financial resources the opposition might otherwise have been able to raise

from its supporters inside the country. Moreover, while the opposition parties are working together to carry out a joint electoral effort, they lack even minimal electoral experience.

Given these circumstances, there is an urgent need for material and technical assistance to independent civic and political organizations in Nicaragua if they are to have any chance to perform effectively in the critical months ahead. The National Endowment for Democracy was able to provide some of the basic infrastructure support for some of the groups now active in voter education programs with the special \$2 million appropriation which the U.S. Congress made available for this purpose in October 1988. To date, the Endowment has provided assistance to such institutions as democratic civic groups, trade unions, and independent media, and fostered cooperation between the Endowment's political party institutes and a broad spectrum of Nicaraguan political parties in order to enlarge the possibilities for independent thought, expression, and democratic activity. Further support was provided with a second special Congressional appropriation of \$1.5 million approved in June 1989.

In October 1989, the Congress approved an Administration proposal to provide \$9 million in assistance for the democratic development activities of the Nicaraguan democratic opposition, a portion of which is to be administered by the National Endowment for Democracy. While this new assistance was approved too late for any of the new funds to reach Nicaragua in time for the October 1 - October 22 registration period, approval of those funds by the Congress did enable previous Endowment grant recipients to shift more of their resources provided under grants from the \$1.5 million appropriation to nonpartisan voter registration efforts. By most accounts, a high percentage of the potential pool of Nicaraguan voters were registered by the end of the registration period. Nonetheless, there were some worrisome reports regarding the high potential for multiple registration by Sandinista supporters, bureaucratic obstructions in the accreditation of opposition observers, and Sandinista intimidation of citizens waiting to register. The Nicaraguan government, for its part, attributed problems with the registration process to activities of the Nicaraguan resistance, charging that the latter had disrupted registration activities in some rural areas.

In order to ensure that there were no serious irregularities in the registration process, it is extremely important that opposition groups undertake a systematic examination of the computerized consolidated voter registration lists, which will be made available in late December. Until then, political parties can check the voter lists which are posted outside of each registration site. In addition, democratic civic and political groups must have the resources and technical capabilities to seize the democratic moment and expand the possibilities for a democratic future for Nicaragua. At this time, the Endowment is presenting the following Nicaragua proposals to the Board and the United States Agency for International Development (AID) for consideration:

1) FREE TRADE UNION INSTITUTE (FTUI)	\$ 493,013
2) INTERNATIONAL FOUNDATION FOR ELECTORAL SYSTEMS (IFES)	220,000
3) NATIONAL DEMOCRATIC INSTITUTE (NDI)/ NATIONAL REPUBLICAN INSTITUTE (NRI)	4,123,275
4) RESERVE FUND (to be used by NED to supplement the NDI/NRI, FTUI or IFES programs as necessary, in a manner consistent with the activities and program objectives described in this proposal)	2,751,312
5) NED ADMINISTRATIVE COSTS	<u>97,400</u>
TOTAL	<u>\$7,685,000</u> -----

Detailed proposals and budgets follow.

THE FREE TRADE UNION INSTITUTE (FTUI)

The Free Trade Union Institute (FTUI) is requesting Endowment support for a project designed to help Nicaragua's independent labor movement mobilize workers and their families to fully participate in the electoral process and to strengthen the ability of democratic trade unions to support human and workers' rights. In anticipation of new funding, Nicaraguan trade unionists were able to mount a nationwide nonpartisan effort to register workers and their families using previously approved Endowment assistance. The funds now being requested are needed for nonpartisan voter education and voter turnout drives in the post-registration period. In order to continue to expand already initiated programs to cover all 4,334 polling stations, the independent labor movement estimates that it will need a corps of at least 4,000 additional trained activists. These activists will monitor compliance with human rights standards, educate neighbors on the opportunity for voting, mount voter turnout drives door-to-door and serve as poll watchers on election day. To achieve these objectives, FTUI proposes to provide support to independent trade union groups for activities in the following areas:

- Organizational Development: With assistance from Venezuela's National Confederation of Workers (CTV), Nicaragua's independent labor organizations will direct nationwide electoral promotion efforts. In order to reach as many workers as possible and ensure their participation in the electoral process, the trade union has sought to decentralize the program to the greatest degree possible. The project will be organized as follows: one hundred district coordinators operating in the 16 departments of Nicaragua will recruit 400 labor activists who in turn will be responsible for the formation of 10-member voter teams to work in towns and villages and to monitor the operations of the electoral tables (mesas). In addition, district coordinators will organize voter education programs, poll-watcher training, and voter canvasses; monitor the vote and vote-counting process; and assist a delegation of international trade union leaders that will visit Nicaragua in February to observe the elections. Additional support for 4,000 new activists at the district level, will enable the activists to work in pairs, thus providing greater protection against harassment and greater assurances that most of the voting districts will be covered. The proposal also calls for an additional 100 activists at the assembly district or municipal level to organize, train and report on progress at the voting district level.

- Electoral Training: If labor's nonpartisan organizing efforts during the next five months are to be effective, it must provide training for a cadre of labor activists who will function at the district and municipal levels. By September, training began for the 100 activists at the district and municipal levels, and seminars were held for the 10-member team leaders that are currently mobilizing and directing activists to work in the individual voting districts.

From November through February, training seminars focusing on canvassing techniques and get-out-the-vote activities will be conducted at the district level and supervised by senior trade union officers previously designated for each of the 16 departments in Nicaragua. In December, the Confederation of Labor Unity (CUS), Nicaragua's principal independent democratic labor movement, will launch the final two months of the mobilization effort at its national congress.

The cost of each departmental seminar has been running between \$1,000 - \$2,000. The current request proposes adding two additional seminars during the education and get-out-the-vote phase, for a total of approximately 32 departmental seminars, plus a national seminar to be conducted during the national labor convention in December. In addition, there has been a request to expand the participation of experienced trainers from the Venezuelan CTV, which has already conducted two seminars in Venezuela for the Nicaraguan trade unionists. It is proposed that a team of five Venezuelans spend two weeks in Nicaragua traveling to participate in various departmental seminars.

- Support Services: Although the Venezuelan CTV has offered support with printing facilities and publications, working vehicles are in very short supply and telephone communications are unreliable at best. Funding is requested for the purchase of two vehicles in addition to the two already purchased under a previous grant. Additional funds are also needed for the purchase of basic equipment, including word processors, publishing supplies, typewriters, file cabinets and other basic office needs. Finally, FTUI would like to provide additional assistance for nonpartisan publicity, radio and TV spots, and printed materials to promote the values of voting in the election and the link between democracy, economic development and peace.

- International Labor Observer Teams: FTUI proposes an additional two labor observation teams of 10 persons each to visit Nicaragua, one group in December, and another in February. The December group will include a representative of Poland's Solidarnosc, whose presence at the CUS convention could galvanize considerable enthusiasm for the electoral process. CUS has also invited labor leaders from Chile. Labor will coordinate its monitoring efforts with other U.S.-funded electoral observation groups in order to avoid any duplication of efforts while ensuring that all regions of the country are effectively covered and electoral complaints are appropriately channeled.

- Special Monitoring Project by Labor Attorneys: Nicaraguan labor leaders report continued harassment and intimidation of election workers, many of whom are illiterate and lack the means and skills to describe their plight with proper documentation. In a new project component, funds are requested to enable a special team of attorneys who have worked with labor in the past to maintain a presence in each of the departments to receive complaints, verify and corroborate description of events, and present documentation to the appropriate international observer

teams. Support is needed primarily for transportation costs and office supplies.

The Free Trade Union Institute was created in 1977 primarily to develop projects and programs between the AFL-CIO and European unions. With the establishment of the National Endowment for Democracy in 1983, possibilities for work with free trade unions around the world was significantly increased. FTUI serves as a vehicle through which program funds to the AFL-CIO's three regional institutes, including the American Institute for Free Labor Development (AIFLD), flow. In that capacity, FTUI monitors and reports on the flow of funds from NED to AIFLD.

As the subgrantee responsible for AFL-CIO programs in Latin America and the Caribbean, AIFLD develops and implements NED-funded programs in Nicaragua. It has a long-standing relationship with the Confederation of Labor Unity (CUS), which is Nicaragua's democratic labor federation. AIFLD maintains a permanent representative in Costa Rica who travels to Nicaragua to develop and oversee programs, in cooperation with CUS, and with regular assistance and input from AIFLD's Washington, DC staff. Program finances, including handling original receipts, disbursement of funds to the field operations, review and reconciliation of income and budget reports, bank reconciliations, and monitoring of overall financial practices and procedures are managed by AIFLD's financial office in Washington, DC.

FTUI has submitted the following budget:

-	<u>Activists</u>		
	-190 district/municipal level activists (@ \$35p/m x 5 mos.)	33,250	
	-4000 additional for canvassing and get-out-the-vote (3 days/\$5 day)	<u>60,000</u>	93,250
-	<u>Education</u>		
	-1 national conference/3 days	20,000	
	-16 3-day district seminars (@ \$1000)	16,000	
	-130 one day local seminars (@ \$200)	<u>26,000</u>	62,000
-	<u>Travel and Per Diem</u>		
	-20 trade union advisor/educators from Venezuela and other Central American countries (to coordinate education programs with CUS/CPT and to assist and observe electoral process (Approx. \$1200 each, includes travel and per diem))	24,000	
	-Int'l labor observer teams:		
	-Air fare 20 x approx. \$800		
	-Per diem 20 x \$140 x 10 days	<u>44,000</u>	68,000
-	<u>Transportation</u>		
	-Purchase of 2 vehicles to be used by CUS/CPT National Advisors (incl. gas, maintenance and insurance)	50,000	
	Transport for mobilization of activists and coordinators (includes gas, vehicle rental, etc.)	<u>30,000</u>	80,000
-	<u>Supplies and Equipment</u>		
	-Office furniture, equipment and supplies for 16 regional offices (includes purchasing and shipping costs)		40,000
-	<u>Media and Public Information</u>		30,000
-	<u>Monitoring Project (Labor Attorneys)</u> (transportation and office expenses)		30,000
-	<u>Overhead at 22.26%</u>		\$403,250
TOTAL			<u>89,763</u>
			<u>\$493,013</u>

INTERNATIONAL FOUNDATION FOR ELECTORAL SYSTEMS/
NICARAGUAN DEMOCRATIC CIVIC MOVEMENT

The International Foundation for Electoral Systems (IFES) is requesting renewed Endowment assistance on behalf of VIA CIVICA, a nonpartisan democratic civic movement comprised of teachers, professionals, leaders of community and social organizations, representatives of business, Catholic lay activists and other key sectors. VIA CIVICA was formed to promote voter registration and participation in the upcoming electoral process through nonpartisan civic education activities at the grass-roots level.

Background

Since August 1989, VIA CIVICA has:

- established a small central office from which its activities in the areas of training, organization, press, communications, and inter-institutional cooperation are coordinated;
- produced over 10,000 civic pamphlets, bumper stickers, tee-shirts, buttons, and a manual on voter registration procedures for wide distribution among key sectors of Nicaraguan society;
- trained over 300 "multiplier" activists who in turn have trained over 1200 field volunteers in the techniques and procedures of voter registration. During August and September, approximately 6500 participants attended a total of 76 training seminars in eleven of the nation's 16 departments. Almost 1400 of the participants were later recruited as VIA CIVICA field volunteers. The movement's outreach capability has effectively expanded from Managua into the major provincial cities of Leon, Granada, Jinotega, Carazo, Esteli and Chinandega, and is beginning to make inroads into most of the other regions of the country, including the Atlantic Coast; and
- received wide and favorable coverage in the independent media of Nicaragua. Since August, VIA CIVICA has produced a total of 16 daily 30-second radio spot messages on five independent stations, and has placed regular paid civic messages in La Prensa.

Program Objectives and Activities

Having been extremely active and effective in promoting voter registration during the month of October, VIA CIVICA has begun to build an important organizational base from which to carry out short term, nonpartisan get-out-the-vote as well as long-term civic education activities. With municipal, legislative, and presidential elections only four months away, the movement will focus its efforts during the post-registration period on specific nonpartisan tasks aimed at developing a sound election process and promoting the political participation of all Nicaraguans in order to strengthen the prospects for a

democratic Nicaragua. The main priority will be to prepare Nicaraguan citizens for the 1990 elections and underscore the fundamental role and responsibilities of the citizenry in the political process. In order for Nicaraguan democrats to increase political participation and firmly secure the political space that has opened, IFES proposes the following activities:

- 1) Electoral Training and Expansion of Voter Volunteer Activities: Through its democratic education program, VIA CIVICA will continue its nonpartisan efforts to reach as many sectors of the Nicaraguan population as possible. Over 100 seminars will be conducted in Managua and in several targeted provincial cities to train representatives of key sectors to serve as electoral workers, and other activities such as nonpartisan community meetings will be conducted to stimulate participation and develop an understanding of the electoral process among potential voters. Seminars will also provide information on when and where to and vote, voting procedures, the secrecy of the ballot, and constitutional guarantees. VIA CIVICA hopes to recruit an additional 5500 volunteers in this effort.
- 2) Public Information: The democratic civic movement will continue to promote democratic values and principles on a national level and showcase its nonpartisan electoral promotion activities through the independent media. Activities in this area will include publication of civic education materials for national distribution, paid advertisements in La Prensa, production of daily radio spots (and, if circumstances allow, television spots) on get-out-the vote themes. VIA CIVICA will also continue to produce tee shirts, posters, handbills, and bumper stickers designed to promote voter participation.
- 3) Infrastructure Development: Funds will be used to cover staff salaries, rent, supplies and equipment that will enable VIA CIVICA to become an established nonpartisan entity for democracy in Nicaragua. VIA CIVICA also plans to purchase three additional vehicles for use in the interior of the country.
- 4) Other Activities: In addition to the above-mentioned activities, VIA CIVICA hopes to develop a monitoring capability for election day, to institute a mechanism for recording electoral complaints, and to establish public relations offices in principal provincial cities in order to coordinate its activities with other institutions whose goals are compatible with its own.

From the beginning of the project, VIA CIVICA and IFES have maintained a cooperative and close working relationship. IFES has provided technical assistance and material support, and established lines of communication have produced a regular flow of essential program materials. IFES maintains a representative in Costa Rica who, along with other IFES officials and consultants, has visited Nicaragua to review current program activities and management/accounting procedures established by VIA CIVICA. IFES is satisfied that the project has developed consistent with the original objectives of the program and in

accordance with acceptable standards of accountability. Since mid-October, VIA CIVICA has come under attack by the government-controlled media, a result partly due its effectiveness.

Organization

The International Foundation for Electoral Systems (IFES) will serve as the U.S. grantee. IFES is a nonprofit education and research foundation dedicated to supporting and improving the process and management of free elections in emerging democracies throughout the world. IFES has a bipartisan Board of Directors, including F. Clifton White, Chairman; Charles T. Manatt; and Richard M. Scammon. Its Director is Richard W. Soudriette. IFES has served as the U.S. grantee for previous Endowment assistance to the democratic civic movement in the amount of \$340,000.

The following budget has been submitted for a period of 5 months:

PROGRAM COSTS

-	<u>Salaries</u> (regional offices)		
	- 3 Supervisors @ \$300/mo		
	- 3 Secretaries @ \$100/mo		
	- 1 Accountant per reg. office @ \$200/mo		\$ 7,000
-	<u>Space and Utilities</u> (regional offices)		8,000
-	<u>Supplies and Equipment</u> (regional offices)		
	- Office equipment and furniture		15,000
	- Vehicles (3)		35,000
	- Gasoline and vehicle maintenance		5,000
-	<u>Communications and Postage</u>		3,000
-	<u>Travel and Per Diem</u>		
	- Domestic Travel		6,000
	- International Travel		4,000
	(Local per diem \$6 (est.))		
-	<u>Consultants' Fees and Expenses</u>		
	(not to exceed \$275/day)		8,000
-	<u>Other Direct Costs</u>		
	- Approx. 125 seminars and workshops @ \$200		26,000
	- Public information activities		40,000
	- Printing (brochures, posters, etc.)		23,000
	- Special events (nonpartisan community mtngs.)		10,000
	- Auditing and accounting services		<u>10,000</u>
	Total Program Costs		200,000

ADMINISTRATIVE COSTS (IFES)

-	<u>Communications and Postage</u>	5,000	
-	<u>Travel and Per Diem</u>		
	3 RT Washington, DC - Managua		
	5 RT San Jose -Managua		
	Per Diem @ \$140	<u>15,000</u>	<u>20,000</u>
TOTAL			<u>\$220,000</u>

NICARAGUA: SUPPORTING THE DEMOCRATIC PROCESS

I. SUMMARY

The National Democratic Institute for International Affairs (NDI) and the National Republican Institute for International Affairs (NRIIA) propose joint political development programs to support the democratic process in Nicaragua, and free and fair elections. The programs seek to promote the long-term development of political parties, encourage participation in the upcoming elections and assist in monitoring the electoral process.

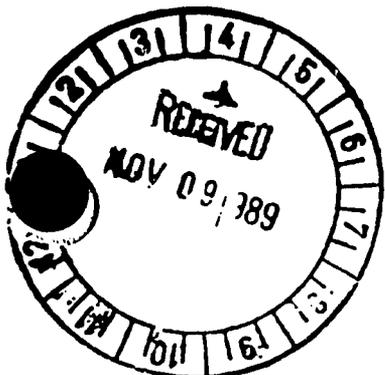
II. BACKGROUND

At the core of NRIIA and NDI's democratic development mission is the belief that strong, competitive political parties are essential to promote and sustain democratic systems. For this reason, the Institutes have been deeply engaged in political party-building activities. To fulfill its special role in society political parties must have the capability to organize themselves and perform normal party functions. In nondemocratic environments or conflict situations, the democratic center, pressured by forces wanting to fragment it, can lose legitimacy over time. In these situations, the political parties often form coalitions to pressure for peaceful democratic change and to protect themselves from extinction.

Electoral exercises can also provide an opportunity for the long-term development of political parties. While NDI and NRIIA do not take sides in elections, they have provided institution-building assistance to democratic political parties and related institutions for activities that are supportive of the democratic process.

In the case of Nicaragua, the electoral and political reforms sponsored by the Esquipulas, Sapoa, Tesoro Beach and Tela accords create possibilities for greater political party organization and, ultimately, democratization and national reconciliation. In response to these accords, the Nicaraguan government agreed to advance the scheduled date for presidential, legislative and municipal elections from November, 1990 to February 25.

The upcoming elections present an unprecedented opportunity to establish a foundation for democratic development, in particular the encouragement of competitive democratic political groups, and the conduct of a free and fair electoral process. Nicaragua has never experienced an election freely contested by a spectrum of strong political parties. Knowledge of and confidence in electoral exercises and democratic government are not widespread in the country.



Active and effective participation in the electoral process by all sectors of Nicaraguan society would help ensure that the outcome expresses the will of the people and create a political dynamic and process leading toward a new era of reconciliation, democratic reform and normal political activity. Without such participation and renewed civic awareness, many Nicaraguans and outside observers fear continuation of the cycle of violence that has historically characterized Nicaraguan politics.

Previously weakened and divided by years of war and authoritarian rule, 14 Nicaraguan political parties, ranging from left to right on the ideological spectrum, recently formed the National Opposition Union (UNO) to promote peaceful democratic reform and to actively participate in the February 1990 elections. The coalition has selected a unified slate of candidates and has adopted a common political platform. UNO has announced its participation in the elections despite doubts about the government's commitments to conduct a free and fair process and concerns about Sandinista institutional advantages.

III. PROGRAM ACTIVITY

In response to a special Congressional appropriation, NRIIA and NDI will provide material and technical assistance for UNO and the Institute for Electoral Training and Promotion (IPCE). The program is designed to provide infrastructure support for political party development and to carry out civic and voter education and election monitoring activities. Consistent with the authorizing legislation of the National Endowment for Democracy, in no event shall these funds be used for direct appeals for support to the electorate on behalf of or by any candidate for office.

A. Institute for Electoral Training and Promotion (IPCE)

A group of prominent Nicaraguan political leaders representing a broad range of democratic ideologies have formed a civic association to carry out programs to encourage participation and instill confidence in the electoral process. The institute has the long-term objective of fostering civic education and democratic institutions.

In a nation that has had little experience with elections and whose citizenry may be ambivalent or cynical about the process, civic and voter education must be done on a wide-scale basis to overcome this. While some of this work should be done by the government, democratic political parties and other groups must compliment this activity to instill confidence in the process.

Assistance will provide IPCE with the national organizational capability to support a series of traditional non-campaign related activities. These include:

—Civic education projects that promote pluralism and the benefits of democratic governance. Media presentations and literatures will be produced and distributed to support generic messages that promote democracy.

—Election monitoring programs to ensure the integrity of the process, such as voter registration verification and pollwatching. While the voter registration period has concluded, registration was conducted based on data from the 1984 elections. Since no census has been taken in 19 years and no national identity cards are available to the citizens, registration data needs to be verified. ICPE will conduct a door-to-door check of those who have registered and provide for computer verification of information supplied by the Supreme Electoral Council. The institute will provide training, transportation and related expenses for pollwatchers who will monitor the voting and counting process throughout the country. ICPE will also monitor the integrity of the process nationwide both in advance and during the course of the voting and counting. Legal representatives will be on staff to offer assistance with election-related questions or problems.

—Voter education programs (i.e. seminars, literature, media presentations) will be sponsored by ICPE to encourage voting on election day. Seminars, meetings, literature and media presentations will focus on reducing voter fears and promoting the integrity and secrecy of the ballot.

—Public opinion surveys will be conducted by the institute to determine the attitudes of the citizenry. These polls will help in the development of civic and voter education messages.

NRIIA and NDI staff and consultants will provide technical advise to IPCE in order to facilitate the development of its programs. In addition, assistance to IPCE would continue through December, 1990, enabling the institute to continue its democratic development programs after the elections.

B. National Opposition Union (UNO)

The assistance to UNO would provide basic infrastructure support that will enable it to perform normal party functions, such as research, communicating with activists, and organizing. Until now, the 14 parties that make-up the UNO coalition have lacked these basic resources. For this support, UNO will be provided with the following material prerequisites: office space, office equipment and supplies, vehicles, and support for non-campaign office staff. This basic party-building support would begin before the official political campaign and extend beyond the election.

As is the case with the grant to IPCE, no funds can be used to promote any candidate. In addition to normal political party activity UNO will use the material for many of the programs being carried out by ICPE, including voter registration verification, election monitoring and pollwatching, and efforts to promote voter participation. While this support is being granted to an alliance, it is expected that the infrastructure will revert to individual parties sometime after the elections for long-term political development purposes.

All assistance provided under these grants is consistent with Nicaraguan laws relating to foreign donations.

IV. PROJECT OBJECTIVES:

While UNO and IPCE are multipartisan in nature, neither will conduct programs under these grants to finance the campaign of any candidate or party. The overall objective of both grants is to support activities and programs to be undertaken by the democratic party coalition which encourage participation and inspire confidence in the electoral process.

Specific goals will include:

1. Assist in the promotion and development of viable democratic parties in Nicaragua;
2. Support participation in the democratic process;
3. Conduct activities which will allow advocates of democracy to develop the experience and confidence that will enable them to become an enduring force for pluralism in the years ahead;
4. Support activities to help ensure a free and honest electoral process;
5. Provide technical training to democratic leaders in the areas of registration verification, election monitoring, and get-out-the-vote drives;
6. Instill confidence in the Nicaraguan electorate of the integrity, credibility and secrecy of the ballot;
7. Educate voters in the areas of democratic values and political participation;

8. Train political activists to become more efficient, better organized, and assume positions of responsibility in implementing this program.

V. EVALUATION

Given the magnitude of these grants and the corresponding activities, NRIIA and NDI will contract assistance to manage the necessary program and accounting procedures.

A major U.S. accounting firm will take on the financial oversight of this program. This firm will be responsible for working with the grantees to establish an appropriate bookkeeping/accounting system which will adhere to U.S. government procedures. This firm will maintain a permanent presence in Managua to conduct a concurrent audit, monthly progress reports and a final audit.

Project managers will advise the grantees on a full-time basis. These managers will be responsible for the program accountability of the grant. They will be available to enforce grant guidelines and provide oversight of expenditures and program activities. The managers will work closely with the accountants to assure program coordination. They will also be responsible for regular program and progress reports to NRIIA and NDI.

A procurement agent will be contracted to purchase the equipment necessary to conduct the UNO and IPCE programs. This agent will assure fair pricing and expedient delivery of the requested items.

NRIIA and NDI staff will make regular on-site visits during the period of the grant. Those visits will allow the Institutes to conduct their own evaluation of the program both substantive and financial. NRIIA and NDI reviews of UNO and IPCE activities will ensure they meet the requirements and objectives of the program.

Attachment I: Page 1
Monitoring

VERIFICATION AND POLL-WATCHING

The lessons learned from transitional elections in the Philippines, Chile, and most recently Panama apply directly to Nicaragua: When a nation faces an election without a strong or recent tradition of democratic activity, extraordinary efforts must be made to ensure the integrity of the entire electoral process.

Efforts such as registration verification and poll-watching in these environments have been conducted by non-partisan civic groups and political parties. In Nicaragua these critical tasks of verification and ballot security will be performed primarily by UNO and IPCE.

IPCE proposes to organize and train a field force of 15,300 individuals who will serve first as registration verifiers, and later as poll-watchers for the actual balloting. NDI/NRIIA support for this effort will take three forms: Infrastructure and Organization, Training, and Salaries and Expenses. The program will begin in mid-November with the training stage; reach its first peak immediately after the voters list becomes available (late December), and conclude with the poll-watching phase for the February 25th elections.

OBJECTIVES:

- (1) To train 15,300 activists in the techniques of voter verification and election day poll-watching;
- (2) To provide for UNO a check of the entire voters list by means of a national door-to-door verification effort;
- (3) To enable UNO to field the necessary poll-watchers (4,500) and alternates (4500) to ensure complete coverage of the voting tables on election day, and for the counting process.
- (4) To establish an organization capable of managing both of the tasks in (1) and (2) above;
- (5) To provide necessary infrastructure to allow the above tasks to be accomplished.

Attachment I: Page 2
Monitoring

DESCRIPTION OF ACTIVITIES:

A) Management/Control:

The Verification and Poll-Watching Program will be managed and funded by IPCE. As with other aspects of the overall program, a self-contained management team will be established within IPCE to organize and oversee this effort. As the tasks involved in Verification and Poll-Watching are fundamentally non-campaign, there should be no difficulty in ensuring that funds provided in support of the program are used for proper purposes.

The Management Team will be based in Managua in the IPCE facilities. The Team will consist of:

- National Director Poll-Watching & Registration
- Verification
- Deputy National Director Poll-Watching & Registration
- Verification
- Division Directors:
 - Registration Verification
 - Poll-Watching
 - Computing
 - Finance/Administration
- Support Staff:
 - Secretarial
 - Bookkeeping
 - Maintenance

These individuals will be full-time salaried employees, and will hold no paid position in the campaign. Other functions such as accounting, bookkeeping, and legal liaison will be also be housed at the Managua IPCE office.

B) Personnel:

IPCE is now in the process of identifying the 15,300 individuals who will participate in the Verification and Poll-Watching effort. This process is in some areas being conducted by the regional co-ordinators of UNO; in other places individuals with less direct ties to UNO are heading up the effort. Individuals will be selected using the following general criteria: literacy, reliability, integrity, and knowledge of local conditions. It is inevitable that some of the individuals selected for the effort will in some ways be associated with UNO. In these cases, strict guidelines consistent with Sections A & C of this proposal will be applied to differentiate between the non-campaign work planned under the Verification and Poll-Watching program and other areas of involvement.

Attachment I: Page 3
Monitoring

It is planned that each of the 15,300 Verification and Poll-Watching staff will be paid a daily stipend for their work of \$4.00. This stipend is necessary because political and economic conditions in Nicaragua make it nearly impossible for individuals to take the necessary time from work to participate in this program.

Regional offices and staff will be organized in each of the nine regions of Nicaragua. The standard regional team will consist of:

- Director Pollwatching
- Director Registration Verification
- Comptroller
- Legal Adviser
- 8 Deputy Directors (with geographic assignments)
- 12 Supervisors
- 48 Department Heads
- 60 Coordinators
- 1,700 Verifiers and 1,000 Poll-Watchers & Voter Education staff
- Numbers of Deputy Directors, Coordinators, and Verifiers and Monitors will vary from region to region on the basis of population
- Support Staff:
 - Secretarial
 - Bookkeeping
 - Maintenance

C) Infrastructure:

Infrastructure support will be provided to service the needs of the central and regional offices. In general, this support will be provided by UNO to service the Verification and Poll-Watching program conducted by IPCE.

D) Training:

Once the Verifiers and Poll-Watchers are identified and the central and regional offices established the field force will begin training first on a local basis, and then on a regional basis. With an electorate of 1.8 million each Verifier will have approximately 120 voters to verify. Appropriate maps and geographic assignments will be made at the regional level, schedules of interviews established, techniques and approaches defined, and several tests run.

When the voting list is actually made public the process of identifying each of the 1.8 million voters will begin. It is expected that each verifier will require a minimum of five to ten days (at 25 contacts per day) to complete their work and return their data to the regional office for tabulation and transmission to the central office.

Attachment I: Page 4
Monitoring

E) Results:

The primary objective of the Verification program is to test the accuracy and reliability of the voters list and this will be accomplished through the verifiers' contacts and reports.

A second objective of the exercise will be to conduct an analysis of the likelihood of turnout. Given the difficulty and instability of polling data, this analysis may provide further verification of the eventual outcome.

F) Poll-Watching:

After the Verification process is completed, 9,000 field workers will then begin training for their monitoring responsibilities on voting day (4,500 poll-watchers, 4,500 alternates). They will be trained in the process of the actual ballot, given mesa assignments, reporting forms, schedules of activities, and means of communication.

Organizational activities and supervisors will be established to ensure that each monitor is both fully prepared, and arrives at their assignment on election day. Monitors will then be given reporting requirements and communications instructions to report on both the "quality" of the vote at their mesa, and on general results as permitted by law.

Attachment II: Page 1
UNO Infrastructure

UNO INFRASTRUCTURE

In the Congressional debate preceding passage of H.R.3385 substantial discussion took place on the issue of "leveling the playing field." This discussion was a reflection of the huge imbalances in financial and material resources which exist between UNO and FSLN. It seems clear from the debate that some of the funds available under H.R.3385 were meant to go directly to UNO in order to redress this imbalance, and to promote long-term political development.

Given that the funds provided cannot be used for campaign purposes NDI/NRIIA have proposed to make available a measure of in-kind material support which will enable UNO to engage in party-building efforts which are not directly tied to the campaign. NDI/NRIIA believe that the current preparations for national elections provide an important opportunity for party-building, and for attempting to ensure that viable political parties are established and sustained regardless of the outcome of the election.

Finally, UNO infrastructure support will be available to the Verification and Poll-Watching effort discussed earlier in this proposal.

OBJECTIVES:

- (1) To provide UNO with the necessary infrastructure to enable it to carry out normal political party activity, essential to Nicaragua's democratic future;
- (2) To develop an infrastructure which can adequately support the Verification and Poll-Watching program described previously;
- (3) To enable UNO to undertake such fundamental activities as voter identification and voter mobilization;
- (4) To provide an organizational base for UNO member parties' long-term political development efforts toward genuine democratization as envisioned under the various Central American accords.

DESCRIPTION OF ACTIVITIES:

A) Management/Control:

The vast majority of support under this category will be given as in-kind material assistance as described in the project budget. The overall project will be directed by the NDI/NRIIA Project Manager(s) on site, and an UNO Program Director.

Attachment II: Page 2
UNO Infrastructure

Actual purchases under this program will be handled through an approved procurement agency selected by NDI/NRIIA in consultation with the Agency for International Development. Further, regional comptrollers will be assigned to monitor and control use of the equipment once it is assigned to field locations.

B) Equipment:

The greatest immediate needs in the infrastructure area are communications and transportation. To the extent that field and regional offices exist, they do so in relative isolation from UNO's Managua headquarters given difficulties in both communications and transportation.

The use of equipment provided under the Infrastructure program will be governed by the guidelines established in Sections A & C of this proposal.

To the extent possible NDI/NRIIA intend to seek lease arrangements for higher-value goods and equipment should these arrangements prove practical. Certain necessary maintenance costs and fuel costs are also included in the project budget for the Infrastructure program.

C) Disposition of Equipment:

Pursuant to U.S. AID regulations and NED operating principles, equipment provided under this grant shall remain available to the grantee so long as it continues to be used for the original purposes of the grant. Some of this equipment may revert to individual parties sometime after the elections for long-term political development purposes. NDI/NRIIA will monitor the post-election environment to determine if the original purposes are being served. Should this not be the case the equipment will be liquidated, and the residual assets returned to U.S. AID.

SECTION A

UNO and INSTITUTE FOR ELECTORAL TRAINING AND PROMOTION

The Institute for Electoral Training and Promotion (IPCE) is a civic association founded by prominent Nicaraguan political leaders to carry out programs to encourage participation and instill confidence in the electoral process.

IPCE, a multipartisan organization, was conceived last summer before UNO was registered as a political alliance to conduct nonpartisan activities that promote participation in the electoral process rather than UNO candidates. The institute provides organizational and programmatic separation from the UNO campaign thereby enabling UNO and NDI/NRIIA to better differentiate between campaign and non-campaign functions and to support programs consistent with the National Endowment for Democracy mandate. The institute would have separate central office space from UNO as well as a separate national staff.

Activities

The institute plans to carry out the following activities: efforts to increase voter participation, civic- and voter-education programs, registration verification, pollwatching and public-opinion surveys.

None of these activities will be carried out in a partisan manner to promote UNO candidates. For example, programs will be designed to increase voter turn out generally rather than to appeal to voters to cast their ballot for UNO. IPCE will distribute literature, go door-to-door and sponsor media spots to encourage people to vote.

Similarly, the institute's voter-education programs will promote general democratic values and attempt to allay people's fears rather than provide information on the UNO platform or candidates. Public-opinion surveys done by the institute will be utilized as a base to develop the voter-education programs. All polls would be released publicly.

Staffing

Because of limited human resources given the difficult economic situation, the institute might employ individuals who are associated with or partisans of UNO. But any individual receiving compensation from the institute who works on behalf of any candidate would have to do so during hours not covered by his salary.

Recruiting the individuals who will be verifying registration lists and poll watching may in some areas be conducted by UNO's regional coordinators. Although political criteria will not be utilized in the selection process, it is inevitable some of the individuals chosen will in some way be associated with UNO. In these cases, workers would receive compensation only for those activities carried out on behalf of the institute. If someone, for example, is working half-time for UNO and half-time for the institute, the institute would pay only half that person's salary. The exceptions are campaign officers and candidates, who will not receive compensation for any assistance they may offer the institute.

Office Space and Infrastructure

The institute will have its own national headquarters, but share UNO office space in the nine regional offices. The institute may utilize UNO's infrastructure and equipment as long as they are used for institute activities. Since the UNO equipment is not being provided for the election campaign but for present and future party-building activities, it would be appropriate for UNO to allow the institute to use its equipment for programs that support the election process. Nevertheless, the institute will maintain separate accounting books from UNO.

SECTION B
PROGRAM CASH FLOW AND MANAGEMENT

CASH FLOW

NRIIA/NDI grants made to UNO and IPCE will conform to the laws of Nicaragua concerning foreign donations.

UNO will register its intent to receive these funds and submit a description of the project activities to the Supreme Electoral Council. Upon receiving the approval of the CSE, the cash donations will be deposited by electronic transfer in a Nicaraguan Central Bank account opened by UNO to receive these funds. The UNO Treasurer then will draw these funds for commodities and projects previously approved by the Political Council. The Treasurer will immediately place these funds at the disposition of the UNO and NDI/NRIIA Project Manager(s). All transactions and activities are subject to the approval of NDI/NRIIA project managers and concurrent audit by the NDI/NRIIA auditing team.

In-kind donations to UNO will also be used for activities approved by the UNO Political Council. NRIIA and NDI will contract a Procurement Services Agency (PSA) to make these purchases on behalf of UNO according to the projects already approved. Equipment will become property of UNO and used for the purposes expressed in the project approved by the Political Council.

Donations of cash and equipment to IPCE will be registered with the Ministry of External Cooperation (MEC) for its approval. Upon approval, cash donations will flow through IPCE's Director of Administration and Finance for activities previously approved by UNO's Political Council. Donations will be made to IPCE's Central Bank account as approved by the MEC. Funds will be electronically transferred to the IPCE bank account on an "as needed" basis to be determined by the Project Manager(s) and on-site accountants in consultation with NDI/NRIIA. Equipment purchased for IPCE by the PSA will become property of IPCE after the payment of customs duties and/or import taxes. All transactions and activities are subject to the approval of the NRIIA/NDI Project Manager(s) and auditing team.

In addition, all activities and transactions are subject to evaluation of A.I.D.'s Regional Inspector General or designated non-federal auditors and the GAO.

PROJECT MANAGER(S)

NRIIA and NDI will contract Project Manager(s) that will be responsible for on-site program management and accountability.

Management Memo
Page Two

These representatives will be experienced in the areas of accounting and grant guidelines. They will provide daily oversight of program expenditures, payroll, petty cash purchases, vouchers, procurement, and activities. The managers will work closely with the UNO Treasurer, the IPCE Director of Administration and Finances, the NRIIA/NDI accountants and auditors in order to assure program coordination.

All funds provided under both UNO and IPCE grants are ultimately at the disposition and control of the Project Manager(s) as named by NDI and NRIIA. No expenditure may be made without the submission of an expenditure authorization form and the written approval of the Project Manager(s) and the Financial Director of the UNO and IPCE programs.

Project Manager(s) will enforce regulations on the use of equipment and payment of salaries under the UNO and IPCE grants as detailed in Sections A and C of this proposal. Salaried personnel will be required to use time sheets in order to justify payroll; equipment, particularly vehicles, will follow instructions for logbooks while in use during the grant period.

The Project Manager(s) will provide bi-weekly programmatic and financial progress reports to NDI and NRIIA. These reports will track expenditures, procurements, program activities, grant compliance with program objectives, A.I.D. regulations, U.S. and Nicaraguan laws.

ACCOUNTING AND REPORTING

NRIIA and NDI will contract a Certified Public Accounting firm to establish an accounting system adequate to control project funds for both IPCE and UNO. The firm will design and implement the administrative mechanism which will include the daily bookkeeping, record keeping, financial reporting, bank balances, income and expenditures. The system will include standard checks and balances in the disbursement and accounting of all funds.

Once the system has been put in place, NDI/NRIIA will inform A.I.D. so that the Inspector General of A.I.D., or his designee, can review the system to insure its adequacy. A.I.D. will then advise NRIIA/NDI when funds can be disbursed to IPCE and UNO.

During the project, the auditing firm will be available on-site on a regular basis and carry out an audit of the activities and records of UNO and IPCE on a concurrent basis. The firm will work in close coordination with the UNO Treasurer,

Management Memo
Page Three

Comptroller and bookkeepers, and the IPCE Director of Finances, accountants, comptrollers, and bookkeepers.

The audit firm will report monthly to NRIIA/NDI with a copy to A.I.D. which will include the details on financial expenditures, progress of the UNO and IPCE grants, the identification of problems and proposed solutions. NDI and NRIIA will prepare at the conclusion of the project a detailed final report on all aspects of the project.

PROCUREMENT

A Procurement Services Agent shall be contracted by NDI and NRIIA to purchase equipment and commodities necessary to conduct the UNO and IPCE programs. All procurement shall be authorized in writing by the Project Manager(s) in consultation with NDI/NRIIA. The procurement shall follow the items and activities approved by the UNO National Political Council.

Authorization will contain a clear description of the items to be purchased and an explanation as to why they are required for the project. The PSA will be responsible to specify the general method of procurement to be utilized and state who will make the purchase. Procurements will be made on a competitive basis whenever practicable. The PSA will be responsible to prove solicitation from multiple sources and must prove in writing, the reason for the final award. The PSA will assure fair pricing and expedient delivery of the necessary items. The source and origin of goods will be Nicaragua, the United States and the free world countries.

THE PSA will maintain a file on each procurement, to include the authorizing form, purchase record, solicitations, reasons for the awards, how it was determined that the price was reasonable, and a copy of the invoice. The PSA will follow all A.I.D. procurement procedures stipulated in the A.I.D. grant.

FINANCIAL AND PROGRAM OVERSIGHT

NRIIA and NDI staff and consultants will make regular site visits during the period of the grant. These visits will allow NDI and NRIIA to conduct their own evaluation of the program-- both substantive and financial. NRIIA and NDI reviews of UNO and IPCE activities will insure program and financial accountability.

SECTION C

ALLOWABLE PROGRAM ACTIVITIES AND RELATED COSTS

The constraints against NED's involvement in campaign activity overseas does not apply to a number of activities that are supportive of the democratic process through assistance to a coalition of democrats. NED and its grantees may not "finance the campaign of candidates for public office." Through the National Republican and Democratic Institutes, the Endowment may support the democratic process, working with political parties and organizations in the following areas.

DEVELOPING INFRASTRUCTURE

Under the category of party building, NDI and NRLIA can enter a transitional environment — wherein parties are normally very weak institutions — and offer support that will enable them to perform normal party functioning. These include communicating with activists, organizing, recruiting, research, etc. This would include providing parties with the following physical prerequisites:

- office space
- vehicles
- office equipment
- supplies
- support for office staff

The basic party-building support would begin before the political campaign and extend beyond the elections.

CIVIC AND VOTER EDUCATION PROGRAMS

In a nation that has had little experiences with democratic institutions and elections and whose citizenry may be ambivalent or cynical about the process, civic and voter education must be done on a wide-scale basis to overcome this. While some of this work should be carried out by the Electoral Council, democratic political groups must compliment this activity to instill confidence in the process. This work would include the following:

- media presentations, literature, communications goods and meetings that are generic and promote democracy and pluralism, as well as related materials and costs to support these activities (i.e. production equipment and costs, time buys).
- media presentations, literature, communications goods and meetings to encourage voting on election day. These programs would facilitate the individual's rights and responsibility to vote, explain voting procedures, and reduce voter fears by promoting the integrity and secrecy of the ballot.

-2-

—public opinion surveys to determine the attitudes of citizens re: democracy, voting, government, the problems facing the country and whether people believe democracy is a good system to solve them, politicians in general, etc. These polls, which would be made public, are designed to help determine what messages are appropriate for civic and voter education programs.

ELECTION MONITORING

A comprehensive system can be created to monitor an election during its four phases: registration, campaigning, balloting and counting. This system can include the development of a nationwide network of monitors, including lawyers, that would ensure the integrity of the process. Activities would include training, transportation and per diem for pollwatchers and voter registration verification, monitoring and legal assistance for election-related questions or problems, and communication systems to track election results.

VOTER PARTICIPATION

It is also supportive of the democratic process to encourage voting to the extent that any such effort would have the effect of increasing participation in the process. Voter mobilization activities could include distribution of literature, generic media spots encouraging people to vote, transportation for voters, door-to-door appeals.

As noted the above activities, as well as organizational structures and materials to support these activities, are permissible under the terms of the NDI/NRIIA grants to UNO and IPCE. Following are examples of unallowable activities and related costs for which NDI/NRIIA grant funds cannot be expended:

Direct appeals for support to the electorate on behalf of or by any candidate for public office;

Any media message that endorses or supports a candidate for public office;

Any payments to individuals which are intended to influence their vote;

Any direct contribution to a political campaign;

-3-

Any communications goods (i.e. T-shirts, flags, banners, posters, literature, buttons) that endorse or support a candidate for public office;

Any salary or compensation to an individual for work not related to activities permitted under this grant;

Any salaries to candidates, political party leaders or campaign officers;

Public meetings that endorse or feature a candidate for public office;

Private polls specifically designed to develop campaign strategy or to influence the attitude of the electorate in favor of a candidate, party or alliance;

Retention and use of equipment after the expiration of the grant for activities not consistent with the original purposes of the grant.

Section D: Page 1
NDI/NRIIA RELATIONSHIP

NDI and NRIIA will administer this program jointly in all aspects. Each Institute has established a team to handle the program and some administrative separation of duties will be established. All major directional and policy decisions will be made jointly:

- (1) The Project Manager will be a joint hire of both NDI and NRIIA;
- (2) Though grant agreements will be signed separately in order to maintain the identity of grant funds for both NDI and NRIIA financial management, all funds provided by both NDI and NRIIA will be administered and managed jointly, with each Institute sharing programmatic and financial responsibility for the use of these funds;
- (2) All financial transfers will require a joint clearance by NDI and NRIIA;
- (3) All programmatic decisions regarding activities which are proper or improper will be made jointly;
- (4) Design and Oversight functions are to be divided as follows:
 - A) Establishment of Accounting/Reporting Systems: NDI
 - B) Establishment of Procurement System: NRIIA
 - C) On-Site Evaluation: Joint
 - D) Review of Concurrent Audits/Reports: NDI
 - E) Design of Verification/Poll-Watching: NRIIA Lead
 - F) Design of Voter Education: NDI Lead
 - G) Design of UNO Infrastructure: NRIIA Lead

INSTITUTO PARA LA PROMOCION Y LA CAPACITACION ELECTORAL (IPCE)

1. MONITORING

A. Poll Watching

1. Salaries

a. Director of Poll Watching (\$300 x 4 months)	1,200	
b. Director of Poll Watching (\$300 x 4 months x 9 regions)	10,800	
c. Deputy Directors Poll Watching (4 people x \$250 x 4 months x 9 regions)	36,000	
d. Supervisors Poll Watching (6 people x \$200 x 4 months x 9 regions)	43,200	
e. Department Heads (24 people x \$200 x 2 months)	9,600	
f. Coordinators Registration Verification & Poll Watching (60 people x 1 month x \$150 x 9 regions)	81,000	181,800

2. Per Diem

Poll Watchers (9000 people x 2 days/\$4 per day)		72,000
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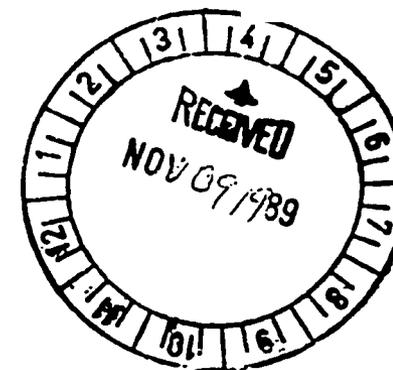
B. Registration Verification

1. Salaries

a. Director of Registration Verification (\$300 x 4 months)	1,200	
b. Director of Registration Verification (\$300 x 4 months x 9 regions)	10,800	
c. Deputy Directors Registration Verification (4 people x \$250 x 4 months x 9 regions)	36,000	
d. Supervisors Registration Verification (6 people x \$200 x 4 months x 9 regions)	43,200	
e. Department Heads (24 people x \$200 x 2 months)	9,600	
f. Coordinators Registration Verification & Poll Watching (Regional) (60 people x 2 months x \$150 x 9 regions)	162,000	262,800

2. Per Diem

Verifiers (1700 people x 5 days/\$4 per day x 9 regions)		306,000
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C. Legal		
Salaries x 4 months		
1. National Legal Electoral Control Director	2,000	
2. National Legal Liaison with Supreme Electoral Council	2,000	
3. Deputy Legal Liaison	1,200	
4. Legal Advisor	2,000	
5. Lawyers (1 person x \$400 x 9 regions x 4 months)	14,400	
		21,600
II. Administration		
Salaries x 4 months		
1. National Director Poll Watching & Registration Verification	2,000	
2. Deputy Director Poll Watching & Registration Verification	1,200	
3. Director of Computing	1,200	
4. Director Finance & Administration	1,500	
5. Chief Accountant	1,200	
6. Bookkeepers (3 people x \$200 x 4 months)	2,400	
6. Deputy Director Computing	1,000	
7. Support Staff - Headquarters(14)	9,700	
8. Regional Comptroller (\$300 x 9 regions)	10,800	
9. Support Staff (Regional) (13 people x 9 regions)	66,330	
		97,330
III. Voter Participation		
Per Diem		
(700 people x 3 days/\$4 per day x 9 regions)		75,600
B. Travel		
1. Local Travel - Central Office (2 people/25 days per month x 4 months at \$20 per day x 9 regions)	36,000	
2. Local Travel - Regional (4 people/25 days per month x 4 months at \$20 per day)	8,000	
		44,000
IV. VOTER AND CIVIC EDUCATION		
A. Contractual Services		
1. Consultants		
a. NDI Consultant	5,000	
b. NRI Consultant	5,000	
2. Media		
a. Television		
1) Time Buy	80,000	
2) Production Costs (U.S. & Nicaragua)	100,000	

b. Radio			
1) Time Buy	30,000		
2) Production Costs (U.S. & Nicaragua)	30,000		
c. Loudspeakers			
(\$100/day/car)		12,500	
3. Polling			
a. Benchmark Poll	40,000		
b. Follow up Poll	20,000		
4. Printing			
a. Newspapers	10,000		
b. Billboards	10,000		
			342,500
B. Other Direct Costs			
1. Training Materials x 9 regions	3,600		
2. Meetings & Seminars	5,000		
3. Miscellaneous Expenses	25,000		
			33,600
V. INFRASTRUCTURE			
A. Office Space & Utilities			
(rent & utilities x 4 months)			10,400
B. Supplies & Equipment			
1. General Office Supplies	4,000		
2. Computer Supplies	2,800		
3. Equipment			
a. Xerox	2,500		
b. Fax	1,500		
c. Computer	7,000		
d. Air Conditioner	1,000		
e. Fan	200		
f. Calculators	300		
g. Furniture			
(4 desks/chairs at \$300 each, 8			
chairs at \$100 each, 2 filing			
cabinets at \$150 each, 3 tables at			
at \$150 each)	2,750		
h. Typewriter	300		
i. Telephones (4)	400		
			22,750
C. Communications & Postage			
(Telephone, Fax & Postage expenses)			4,000
VI. Grant To Carry On Activities From Elections			
Through Dec. 31, 1990			
(Salaries, Space & Utilities and Civic			
Education)			50,000
TOTAL IPCE BUDGET			1,524,380

44.

36.

UNION NACIONAL OPOSITORA

1. GRANT OVERSIGHT

A. Salaries x 5 months

1. Project Director	2,500	
2. Comptroller	1,500	
3. Bookkeeper (2 bookkeepers x \$200 x 5 months)	2,000	
4. Secretary	750	
5. Legal Advisors (2 people x \$500 x 5 months)	5,000	

11,750

B. Space & Utilities x 4 months

1. Rent & Utilities - UNO Headquarters	10,400	
2. Rent & Utilities - Regional Offices x 9 regions	28,800	

39,200

II. INFRASTRUCTURE

A. Supplies & Equipment

1. General Office Supplies - Central Office	12,000	
2. General Office Supplies - Regional Office x 9 regions	54,000	
3. Computer Supplies - Central Office	10,000	
4. Computer Supplies - Regional Office x 9 regions	25,200	
5. Equipment		
a. Xerox (1) - Central office	10,000	
b. Xeroxs (1) - Regional Office x 9 regions	22,500	
c. Telephones & Switchboard Central Office	4,250	
d. Telephones (3) - Regional Offices x 9 regions	2,700	
e. Fax - Central Office	1,500	
f. Faxes (1) - Regional Offices x 9 regions	13,500	
g. Computers (3) - Central Office	21,000	
h. Computers (1) - Regional Offices x 9 regions	63,000	
i. 4-Wheel Drive Vehicles (10) Central Office	190,000	
j. 4-Wheel Drive Vehicles (5) Regional Offices - x 9 regions	855,000	
k. Motorcycles (4) - Central Office	12,000	
l. Motorcycles (5) - Regional Offices x 9 regions	135,000	
m. Bicycles (15) - Regional Offices x 9 regions	40,500	
n. Furniture - Central Office (15 desks/chairs at \$300 each, 30 chairs at \$100 each, 10 filing cabinets at \$150 each, 15 tables at \$150 each)	11,250	

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o. Furniture - regional Offices (6 desks/chairs at \$300 each, 13 chairs at \$100 each, 4 filing cabinets at \$150 each, 7 tables at \$150 each x 9 regions)	42,750	
p. Typewriters - Central Office manuel (3) electric (1)	1,600	
q. Typewriters (3) - Regional Office x 9 regions	11,700	
r. Air Conditioners (4) - Central Office	4,000	
s. Air Conditioners (1)-Regional Offices x 9 regions	9,000	
t. Fans (6) - Central Office	1,200	
u. Fans (2) - Regional Offices x 9 regions	3,600	
v. Calculators (4) - Central Offices	1,200	
w. Calculators (2) - Regional Offices x 9 regions	3,600	
		1,562,050
B. Communication & Postage		
1. Telephone, Fax & Postage Expenses - Central Office x 5 months	7,500	
2. Telephone, Fax & Postage Expenses - Regional Offices - 9 regions x 5 months	22,500	
		30,000
C. Other Direct Costs		
1. Maintenance (Vehicles) - Central Office	6,000	
2. Maintenance (vehicles)-Regional Offices x 9 regions	21,600	
3. Maintenance (Motorcycles) - Central Office	1,200	
4. Maintenance (Motorcycles) - Regional Office x 9 regions	10,800	
5. Gas (Vehicles) - Central Office	15,000	
6. Gas (Vehicles) - Regional Offices x 9 regions	54,000	
7. Gas (Motorcycles) - Central Office	2,400	
8. Gas (Motorcycles) - Regional Offices x 9 regions	21,600	
9. Insurance x 5 months	575	
10. Miscellaneous Expenses	25,000	
		158,175
D. Local Travel		
1. Car Rental (30 cars x \$200 per week x 4 weeks)	24,000	
2. Van Rental (10 8 passenger vans x \$400 per week x 4 weeks)	16,000	
		40,000

96
Total UNO Budget

1,841,175

NATIONAL DEMOCRATIC INSTITUTE & NATIONAL REPUBLICAN INSTITUTE BUDGET

I. OVERSIGHT

A. Salaries

1. NDI Staff	35,000	
2. NRI Staff	35,000	
3. NDI Legal	5,000	
4. NRI Legal	5,000	
5. Project Manager	25,000	
		105,000

B. Supplies & Equipment

1. NDI Office Supplies	2,500	
2. NRI Office Supplies	2,500	
		5,000

C. Communications & Postage

1. NDI Telephone & Fax	5,000	
2. NRI Telephone & Fax	5,000	
3. NDI Postage & Courier	1,000	
4. NRI Postage & Courier	1,000	
		12,000

D. Travel & Per Diem

1. Staff Travel		
a. NDI		
(8 round trips Washington - Managua)	8,000	
b. NRI		
(8 round trips Washington - Managua)	8,000	
2. Consultants Travel		
a. NDI Consultants		
(6 round trips Washington - Managua)	6,000	
b. NRI Consultants		
(6 round trips Washington - Managua)	6,000	
3. Project Managers' Travel		
(4 round trips Washington - Managua)	4,000	
4. NDI Staff Per Diem		
(100 days at \$140 per day)	14,000	
5. NRI Staff Per Diem		
(100 days at \$140 per day)	14,000	
6. NDI Consultants Per Diem		
(\$140 per day x 4 days x 3 trips		
x 2 consultants)	3,360	
7. NRI Consultants Per Diem		
(\$140 per day x 4 days x 3 trips		
x 2 consultants)	3,360	
		66,720

E. Contractual Services

1. Procurement Services Agent	100,000	
2. Printing Services	10,000	
3. Expenses Incurred During Audit	10,000	
4. Audit	160,000	
5. Expenses Incurred During Audit	50,000	

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3. Consultants

- a. NDI - 3 Consultants .
(\$250 per day x 9 days per month
x 4 months) 27,000
- b. NRI - 3 Consultants
(\$250 per day x 9 days per month
x 4 months) 27,000

404,000

F. Other Direct Costs

- 1. Miscellaneous Expenses - NDI 5,000
- 2. Miscellaneous Expenses - NRI 5,000

10,000

11. CIVIC AND VOTER EDUCATION

Contractual Services

- 1. Printing
 - a. Brochures 10,000
 - b. Buttons 5,000
 - c. Posters 10,000
 - d. T-shirts 20,000
- 2. Shipping Costs 10,000
- 3. Media
 - Production Equipment 100,000

155,000

TOTAL NDI & NRI BUDGET

757,720

28

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TOTAL IPCE BUDGET	1,524,380	
TOTAL UNO BUDGET	1,841,175	
TOTAL NDI/NRI BUDGET	757,720	
TOTAL NICARAGUAN BUDGET		4,123,275

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GRANT MANAGEMENT

The National Endowment for Democracy (NED) is a private, non-profit organization incorporated in 1983 and authorized for Congressional funding by Public Law 89-164 in November 1983. The Endowment is a grant-making organization and does not operate programs directly. The objective of strengthening democratic groups and institutions in other countries is enhanced by involving U.S. private sector groups that can provide appropriate technical assistance and administrative support to the overseas groups.

NED's principal source of funding is an annual Congressional appropriation (FY 89, \$15.8 million) which is awarded as a grant from the U.S. Information Agency (USIA) to NED. This appropriation includes NED's basic administrative budget (\$1.4 million in FY 89).

In addition, NED has received several special Congressional appropriations for specific purposes, which have been executed as grant agreements with U.S. AID but which are managed under the same terms and conditions as the annual USIA grants to NED for the congressional appropriations. These special appropriations have provided funds for specific activities in Poland, Chile, and Nicaragua. NED also has grant agreements with U.S. AID for activities in South Africa, Paraguay, Poland, and Hungary.

NED has effective, well-established mechanisms for awarding and managing its grants. Proposals for grant awards are considered four times each year by the NED Board of Directors, comprised of leading citizens from the mainstream of American political and civic life. Grants are usually awarded to U.S. private sector organizations that directly administer the funds to the overseas groups and provide technical assistance for the activities. NED grants are for one-year terms and are closely monitored through quarterly narrative and financial reports.

Each NED grant over \$50,000 is required to have an independent audit; smaller grants are audited as needed. NED itself has an annual audit performed by a CPA firm. In addition, USIA has audited NED for fiscal years 1984 and 1985, and has indicated that it will audit fiscal years 1986, 1987, and 1988 later in 1989. The General Accounting Office has conducted audits of NED as requested by Congress.

The current proposal requesting \$7,685,000 for assistance with the promotion of democracy and national reconciliation in Nicaragua, including support to ensure the conduct of free, fair, and open elections through and consistent with the charter of the NED, is being submitted in accordance with P.L.101-119. Acceptance of these funds will be subject to the approval of the NED Board of Directors who are presently reviewing a mail ballot describing the program and recommending subgrants as outlined in this proposal. Subgrants would then be negotiated so that assistance could be provided immediately to the various groups.

Because this program is governed by the provisions of P.L. 101-119, it is recognized that the terms and conditions imposed by the U.S. Congress on this assistance will require certain modifications to NED's standard operating procedures (described above) with respect to the foreign organizations who are the ultimate recipients of funds. These include a requirement for concurrent audit of expenditures, monthly financial and progress reports through the electoral period, and, for specified organizations, the use of a procurement services agent.

Assistance provided under these grants will be consistent with U.S. laws and Nicaraguan laws relating to foreign donations. However, it should be noted that a waiver of U.S. law embargoing exports to Nicaragua will be required to effect provision of materials and equipment originating in the United States.

The following are examples of unallowable activities and related costs for which grant funds cannot be expended:

- direct appeals for support to the electorate on behalf of or by any political party or candidate for public office;
- any media message that endorses or supports a political party or candidate for public office;
- any payments to individuals that are intended to influence their votes;
- any direct contribution to a political campaign;
- any communications goods (i.e., t-shirts, flags, banners, posters, literature, buttons) that endorse or support a candidate for public office or a political party;
- any salaries or compensation to candidates, political party leaders, or campaign officers;
- public meetings that endorse or feature a candidate for public office; and
- private polls designed to develop political campaign strategies in favor of a candidate, political party, or alliance.

The budget includes \$97,400 to cover NED's direct administrative costs associated with oversight and management of these activities. The amount of funding being provided for assistance to Nicaragua is equivalent to approximately half of NED's annual congressional appropriation for FY 89, and requires certain modifications to its standard operating procedures, as described above. The Endowment is subject to the Freedom of Information Act, and it is anticipated that many FOIA requests will be received requesting information in connection with this assistance to Nicaragua. These factors increase direct administrative costs above the level that would normally be

associated with NED's program activity under its annual appropriation. NED does not have a negotiated overhead rate; the administrative cost budget has been prepared on direct cost basis. Systems are in place to properly allocate staff time and other costs to appropriate accounts.

NRIIA and NDI are "core grantees" of NED; they each have a target allocation annually from NED's annual appropriation, covering many of their programs and direct administrative costs. NRIIA and NDI will be key implementing organizations for this program, and will incur direct administrative costs as described in their proposal that are in addition to the administrative budgets otherwise provided by NED. Neither organization has a negotiated overhead rate.

The International Foundation for Electoral Systems (IFES), the U.S. grantee working with Via Civica, has budgeted \$20,000 in direct administrative costs for its expenses in managing that activity.

The Free Trade Union Institute (FTUI), NED's core grantee for labor programs, will serve as grantee for labor activities in connection with this program. Funds will be provided to AIFLD, the regional labor organization for Latin America, which has substantial A.I.D. funding for other efforts, and which has a negotiated overhead rate reflected in its proposal.

NATIONAL ENDOWMENT FOR DEMOCRACY

Program on Nicaragua Elections Assistance
Detail of Administrative Costs

Salaries and Wages

Director of Finance & Administration		
5 days @ \$231	\$1,155	
Director of Programs		
35 days @ \$192	6,720	
Grants Officer		
25 days @ \$181	4,525	
Senior Program Officer		
50 days @ \$144	7,200	
Internal Auditor		
10 days @ \$144	1,440	
Public Affairs Officer		
10 days @ \$138	1,380	
Freedom of Information Act Officer		
80 days @ \$99	7,920	
Program and Grants Administrator		
20 days @ \$98	1,960	
Finance Assistant		
15 days @ \$81	1,215	
Asst. Program Officer		
45 days @ \$80	3,600	
Program Secretary		
20 days @ \$70	1,400	
	-----	\$38,515

Fringe Benefits @ 27.1% of Salaries 10,435

Travel and Per Diem

RT airfare, Wash DC/Managua		
10 fares @ \$1,000	\$10,000	
Per Diem, Managua		
10 trips, 5 days/trip @ \$140/day	7,000	
Incidentals (ground transportation, airport tax, etc.)		
10 trips @ \$100 trip	1,000	
	-----	18,000

Communications

Telephone, facsimile, and telex		1,000
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Postage and Delivery		1,250
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Printing and Copying		4,500
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Legal Services and Audit Costs

Audit (proportion of estimated cost of FY90 annual audit attributable to this activity)	-	\$2,700	
Legal services, est. 150 hrs @ \$140/hr	21,000	23,700	
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Total

\$97,400

53'

- (6) to encourage the establishment and growth of democratic development in a manner consistent both with the broad concerns of United States national interests and with the specific requirements of democratic groups in other countries which are aided by programs funded by the Endowment.

ARTICLE II

PERIOD

- A. The period of this agreement shall be from October 1, 1988 through September 30, 1989. All expenditures paid with funds provided by this agreement must be incurred for authorized activities which take place or commence during the period of the Agreement, unless otherwise stipulated in this agreement.
- B. In addition, the unexpended but obligated balances of funds provided under this grant agreement shall continue to be available until expended for the specific purposes authorized under this agreement. Funds not obligated by the Endowment during the period specified in A above, shall not be drawn down. The Endowment's Letter of Credit will be reduced by the amount of unobligated funds.

ARTICLE III

PAYMENT, ITEMS OF EXPENDITURE AND ACCOUNTING DATA

- A. The funds awarded pursuant to this agreement shall be used for the purposes described in Article I; shall be paid to the Recipient in accordance with the provisions of Section B herein below; and shall be expended in accordance with the Items of Expenditure set forth in Section C herein below.
- B. The Recipient shall follow the "Letter of Credit Procedure" set forth by the Agency. The Recipient shall submit payment vouchers (Form TFS-5805a) to its selected commercial bank requesting funds necessary to meet the immediate requirements of the Recipient in carrying out this agreement.
- C.

<u>Items of Expenditure</u>	<u>Amount</u>
1. Administrative expenses of the Endowment.	\$15,800,000
2. Grants for programs of private sector groups.	
- D. Allowability of costs incurred under this agreement will be determined generally in accordance with Office of Management and Budget Circular A-122 "Cost Principles for Nonprofit Organizations, as amended.
- E. The Recipient shall use United States flag carriers and less than first-class accommodations for travel supported under this agreement. All such travel shall be performed in accordance with the travel provisions of the Fly America Act as outlined in the "Guidelines for the Administration of Assistance Awards-Awarded by the United States Information Agency" (IA-1119, dated 10/85).

- F. ~~B.~~ Per diem costs charged to this agreement by the Endowment and its grantees shall be limited to the per diem amounts stipulated in the current Government Travel Regulations.

ARTICLE IV

RESPONSIBILITIES

In carrying out the purpose of this agreement, the Recipient shall be responsible for:

- A. Planning, organizing and administering the program to carry out the purposes of the Act.
- B. The Endowment may only provide funding for programs of private sector groups and may not carry out programs directly.
- C. The Endowment may provide funding only for programs which are consistent with the purposes set forth in section 502(b) of the Act and which the Board of Directors of the Endowment determines are consistent with those purposes.
- D. The Endowment shall comply with the requirements of Section 504 of the Act and further shall insure that the Endowment and its grantees comply with the audit and reporting requirements of Section 504. USIA asserts that the rights of audit provided to the Comptroller General of the United States ~~and~~ shall also extend to the Director of the U.S. Information Agency and his duly authorized representatives.
- E. The Endowment and its grantee shall be subject to the appropriate oversight procedures of Congress. These procedures include the following.
 - (1) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accounts certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.
 - (2) The report of each such independent audit shall be included in the annual report required by subsection 504 (h) of the Act. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Endowment's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Endowment's income and expenses during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements.

Attachment III: Page 1
Voter Education

CIVIC & VOTER EDUCATION

Given Nicaragua's unstable and undemocratic past, there is little understanding of, nor faith in a democratic election as a means to express one's political views and preferences. In these circumstances it will be important to instill an understanding of the electoral process, and confidence in its ability to promote democratic change in Nicaragua.

IPCE proposes, with NDI/NRIIA support, to undertake a substantial voter education program in the period December 1, 1989 to February 25, 1990 in order to address the overall objectives outlined above.

OBJECTIVES:

- (1) To enhance the Nicaraguan electorate's understanding of electoral processes and procedures;
- (2) To increase the faith of the electorate in the election as a means of political evolution;
- (3) To encourage the broadest possible participation by the electorate in the February elections;
- (4) To develop a base of understanding and commitment to longer-term democratic practices and institutions.

DESCRIPTION OF ACTIVITIES:

The IPCE Voter Education Program (VEP) will involve the design, preparation, and production of media and advertising messages on the following themes:

- The Mechanics of Voting
- The Concept of a Secret Ballot
- Democratic Transitions in Other Countries
- Fundamentals of a Democratic Society
- Democracy and Economic Development
- Political Evolution in Eastern Europe
- Democracy in Central and South America

These messages will be produced in written form, (to be distributed under the Verification and Poll-Watching program), aired on radio (independent stations, and purchased time on other stations), and prepared for television (purchased time).

Attachment III: Page 2
Voter Education

Much of the design and preparation, particularly of the electronic spots will take place in the United States in consultation with appropriate IPCE officials. Some production will take place in Nicaragua utilizing facilities provided under previous grant activity.

In addition, IPCE will organize a series of local seminars and meetings to provide additional follow-up messages and training which support the overall messages described above.

A) Management and Control:

The VEP will be managed by IPCE staff and the NRIIA/NDI Project Manager(s) under the procedures described in Sections A & C of this proposal. Development and preparation of the spots and written materials, as well as some production work will take place in the U.S. as necessary, though the intention of the program is keep as much work as possible in Nicaragua.

Air time for radio and television will be sought, where appropriate for free, and where time buys must be made they will be handled in accordance with appropriate laws and procedures.

The IPCE and NDI/NRIIA staffs will ensure that all messages and materials produced under the VEP are strictly non-partisan and do not promote a candidate or campaign for public office. All spots will be listed as sponsored by IPCE.

B) Evaluation:

In the development of the media and written spots various focus group exercises and public opinion polls will be used to determine the saliency of the issues to be addressed, and the saturation and effect of message delivery.

C) Voter Participation:

IPCE will also conduct a nationwide Voter Participation program designed to encourage participation in the electoral process. This effort will include written and electronic media messages and door-to-door programs.

- (3) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office and the Agency in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office and the Agency shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Endowment shall remain in the possession and custody of the Endowment.
- (4) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this title. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.
- (5) The Endowment shall ensure that each recipient of assistance provided through the Endowment under the Act keeps such records necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the costs of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.
- (6) The Endowment shall ensure that it, or any of its duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance provided through the Endowment under the Act. The Comptroller General of the United States or any of his duly authorized representatives, and the Agency shall also have access thereto for such purpose.
- (7) Not later than February 1 of each year, the Endowment shall submit an annual report for the preceding fiscal year to the President for transmittal to the Congress. The report shall include a comprehensive and detailed report of the Endowment's operations, activities, financial conditions, and accomplishments under the Act and may include such recommendations as the Endowment deems appropriate.
- (8) The Board members and officers of the Endowment shall be available to testify before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to the subsection 504(f) of the Act or any other matter which such committee may determine.

F. The Endowment will continue to retain in its permanent files, and will furnish USIA within ninety (90) days, the procedures and any amendments thereto that the Endowment will follow to:

1. Publicize the availability of grants under the Act.
2. Obtain submission of grant applications by private sector groups.
3. Select grantees for award and to determine the level of funding to be provided.
4. Monitor and assure compliance with the Act by its grantees.

G.
H. The Endowment will retain in its permanent files and will, within ten days after the award of any sub-grant awarded by the Endowment under this agreement, furnish USIA a copy of the following:

1. A copy of the award.
2. A copy of the approved budget for the award.
3. A summary of the proposed program.
4. Appropriate supporting material describing the program.

H.
I. The Endowment will maintain accounting control over the funds provided by this agreement with proper documentation.

I.
H. The Endowment will comply with all laws, rules, procedures and regulations concerning Federal grants as they may relate to the administration of this grant made pursuant to the Act, including OMB Circular A-110.

J.
I. The Endowment may state in any announcement or publicity, where it is not inappropriate, that the activities conducted by it and its grantees are assisted financially under the Act.

K. The Endowment's board shall establish procedures and assign responsibility so that the Endowment can perform (or require to be performed) selective, independent auditing or other forms of verification of the information submitted by grantees to ensure compliance with grant terms and objectives.

ARTICLE V

REPORTS

The Recipient will retain in its permanent files the following written reports, copies of which will be sent to the USIA.

- A. Program - The report required under Section 504(h) of the Act.
- B. Financial - A report reflecting expenditures as required in the audit provided for in Section 502(e) of the Act.
- C. Letter of Credit - The reports required under the letter of credit instructions.

ARTICLE VI

LIAISON

All liaison shall be with the Director Agency who may delegate his responsibilities as he wishes.

ARTICLE VII

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

The Endowment's Board of Directors will continue to consult with the United States Advisory Commission on Public Diplomacy.

ARTICLE VIII

NONEXPENDABLE PERSONAL PROPERTY

The provisions of Office of Management and Budget Circular A-110 "Uniform Administrative Requirements." Attachment N, shall apply to any nonexpendable personal property purchased with funds provided by this agreement.

ARTICLE IX

LOBBYING

The Recipient agrees that none of the funds provided by this agreement shall be used by the grantee organization for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This provision shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such organization does not use funds provided under this grant in exercising such right.

ARTICLE X

PROHIBITION ON POLITICAL ACTIVITY

The Recipient agrees that funds provided by this agreement shall not be awarded by the grantee or its sub-grantees to the National Democratic Institute for International Affairs, the National Republican Institute for International Affairs, or any other organization connected in any manner with any political party operating in the United States, unless said Institutes agree that such funds received from the National Endowment for Democracy shall not be expended to finance the campaigns of candidates for public office in any country; shall not be used to finance activities of the Republican National Committee or the Democratic National Committee; shall not be used for partisan activities on behalf of either the Republican National Committee or the Democratic National Committee or on behalf of any candidate for public office; and agree that no officer or employee of the Republican or Democratic National Committees may serve as an officer or member of the board of Directors of either Institute.

ARTICLE XI

CONSULTATION WITH DEPARTMENT OF STATE

The Endowment shall consult with the Department of State on any overseas programs funded by the Endowment prior to the commencement of the activities of that program as set forth in Section 505 of the Act.

ARTICLE XII

DISCRIMINATION

The Endowment agrees to comply with:

A. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000a et seq., which prohibits discrimination on the basis of race, color, religion or national origin in programs and activities receiving Federal financial assistance.

B. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance.

C. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et. seq., which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

D. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et. seq., which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance.

ARTICLE XIII

AMENDMENTS AND MODIFICATIONS

No amendment or modification of this agreement shall have any force or effect unless it is in writing and signed by an authorized Contracting Officer of the Agency and the authorized representative of the Endowment.

ARTICLE XIV

GENERAL CONDITIONS

The Attached General Conditions are made part of this agreement and compliance of the Recipient with the provisions therein is mandatory.

.62

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the dates indicated herein below.

FOR THE RECIPIENT
NATIONAL ENDOWMENT FOR
DEMOCRACY, INCORPORATED

Carl Gershman

Carl Gershman

President

11/9/88

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA
UNITED STATES INFORMATION
AGENCY

Signature

Gloria J. Treyes

Typed Name

Gloria J. Treyes

Title

Contracting Officer
Office of Contracts, M/KG

Date

Oct. 31, 1988

UNITED STATES INFORMATION AGENCY
OFFICE OF CONTRACTS
GENERAL CONDITIONS
GRANT AGREEMENT
NATIONAL ENDOWMENT FOR DEMOCRACY

I. ENTERTAINMENT

It is understood and agreed that none of the funds made available to the grantee under this agreement may be used for the purpose of entertainment except for entertainment expenses necessary to carry out the Endowment's purposes as specified in the Act.

II. AMENDMENTS

This agreement is subject to amendment to the extent that amendments are for the purposes of furthering (or overseeing) authorized grant purposes.

III. EXAMINATION OF RECORDS

The grantee agrees that the Director and the Comptroller General of the United States, or any of their duly authorized representatives shall until the expiration of three years after the termination of this agreement, have access to and the right to examine any directly pertinent books, documents, papers, and records of the grantee or any of its subgrantees engaged in the performance of and involving transactions related to this grant and sub-grants.

IV. DISPUTES

A. Except as otherwise provided in this grant, any dispute concerning a question of fact arising under this grant which is not disposed of by agreements shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the grantee. The decision of the Contracting Officer shall be final and conclusive unless, within thirty (30) days from the date of receipt of such copy, the grantee mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Director of the United States Information Agency. The decision of the Director or a duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the grantee shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the grantee shall proceed diligently with the performance of the grant and in accordance with the Contracting Officer's decision.

B. This "Dispute" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph A above: Provided, that nothing in this grant shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

V. COMPLIANCE WITH FEDERAL AND STATE LAWS

In the performance of the work authorized pursuant to this grant the grantee agrees to comply with all applicable Federal and state laws, rules and regulations which deal with or relate to the employment by the grantee of the employees necessary for such performance.

VI. TERMINATION

If the Agency, under limited circumstances as described in authorizing legislation, deems it in the best interest of the United States to terminate this agreement, the Agency may terminate it by giving the grantee thirty (30) days' notice in writing. The grantee may terminate it for any reason by giving the Agency thirty (30) days' notice in writing. In the event this agreement is terminated under this provision, the grantee shall immediately terminate any grants or any other obligations which it may have entered into involving funds provided under this agreement and shall with the approval or ratification of the Agency, settle all outstanding liabilities and all claims resulting from the termination of sub-grants and other obligations. There shall be returned to the Agency any balance of funds received from the Agency which is unused and found to be unnecessary to liquidate outstanding obligations.

VII. TERMINATION FOR CAUSE

- A. The Agency may reserve the right to terminate this agreement in whole, or in part, at any time before the date of completion, whenever it is determined that the grantee has failed to comply with the conditions of the agreement. The Agency shall notify the grantee in writing of the Agency's intention to terminate for cause. However, the Agency shall allow up to 10 days for the grantee to respond to the Agency's notification of intention to terminate for cause, before making a final decision. If the grantee's response is not acceptable, then the Agency shall promptly notify the grantee in writing of the determination and reasons for the termination, together with the effective date. Payments made to the grantee or recoveries by the Agency under this agreement terminated for cause shall be in accordance with the legal rights and liabilities of the parties.
- B. Any disputes as to questions of fact which may arise hereunder shall be subject to the "Disputes" clause of these General Conditions.

VIII. INTEREST AND REFUNDS

A. Interest Earned on Funds Advanced

Any interest earned in excess of \$100.00 on funds advanced to the grantee under this agreement shall become the property of the Government and shall be paid promptly to the Agency for deposit into the Treasury as miscellaneous receipts. Such interest shall not be used for any other purposes under this or any other agreement.

B. Refunds

1. U.S. Dollar Funds

If any of the funds made available to the grantee are unexpended upon the expiration or termination of the grant, and any amendments thereto, as of the due date of the final financial report, a check made payable to the United State Information Agency shall be forwarded with the final financial reports.

2. Foreign Currency Funds

If any of the funds made available to the grantee are unexpended upon the expiration or termination of the grant, and any amendments thereto, such unexpended funds shall be forwarded with a copy of the final financial report to the appropriate American Embassy. Documentary evidence of refunds made to the Embassy must be included with the final financial report to the Agency.

3. Subsequent Refunds

The grantee shall refund to the Agency or the appropriate American Embassy all refunds, rebates or credits, received after submission of the final financial report. The grantee may, however, deduct from any such refunds, rebates, or credits all bona fide costs incurred by the grantee prior to the expiration dates of the agreement, but not billed to the grantee until after submission of the financial report. When subsequent transactions of this nature occur, a notice shall be sent to the Agency or the appropriate Embassy describing each item and amount involved and indicating that this subsequent notice amends the report previously submitted. A copy of such notice, together with the net amount of the refund shall be forwarded to the Agency or the appropriate Embassy.

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IX. PREFERENCE FOR U.S. FLAG AIR CARRIERS

- A. Public Law 93-623 requires that all Federal agencies and Government contractors, subcontractors and grantees will use U.S. Flag Air Carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available. It further provides that the Comptroller General of the United States shall disallow any expenditure from appropriated funds for international air transportation on other than a U.S. Flag Air Carrier in the absence of satisfactory proof of the necessity therefor.
- B. The Grantee agrees to utilize U.S. Flag Air Carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available.
- C. In the event that the grantee selects a carrier other than a U.S. Flag Air Carrier for international air transportation, a certification will be included on vouchers involving such transportation essentially as follows:

CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG CARRIERS

I hereby certify that transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reasons: (state reasons).

- D. The terms used in this clause have the following meanings:
 - 1. "International air transportation" means transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States.
 - 2. "U.S. Flag Air Carrier" means one of a class of air carriers holding a certificate of public convenience and necessity issued by the Civil Aeronautics Board, approved by the President, authorizing operations between the United States and/or its territories and one or more foreign countries.
 - 3. The term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.
- E. The grantee shall include the substance of this clause, including this paragraph (E), in each sub-grant or purchase hereunder which may involve international air transportation.

- F. This paragraph IX shall only apply to the extent it is consistent with the requirements of 49 U.S.C. § 1517, or other statutory authority.

X.

PAYMENT OF INTEREST ON GRANTEE'S CLAIMS

- A. If an appeal is filed by the grantee from a final decision of the contracting officer under the disputes clause of this grant, denying a claim arising under the grant, simple interest on the amount of the claim finally determined owed by the Government shall be payable to the grantee. Such interest shall be at the rate determined by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat., 97, from the date the grantee furnishes to the contracting officer a written appeal under the disputes clause of this grant, to the date of (1) a final judgement by a court of competent jurisdiction, or (2) mailing to the grantee of a supplemental agreement for execution either confirming completed negotiations between the parties or carrying out a decision of a board of contract appeals.
- B. Notwithstanding (a) above, (1) interest shall be applied only from the date payment was due, if such date is later than the filing of appeal, and (2) interest shall not be paid for any period of time that the contracting officer determines the grantee has unduly delayed in pursuing remedies before a board of contract appeals or a court of competent jurisdiction.

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

FEB 9 1990

Mr. Carl Gershman
President
National Endowment for Democracy
1101 - 15th Street, N.W., Suite 203
Washington, D.C. 20005

SUBJECT: Grant No. SPO-0000-G-SS-0005-00
Amendment No. 01

Dear Mr. Gershman:

The subject Grant is hereby amended pursuant to Public Law 101-119, approved by the President on October 21, 1989, the United States of America, acting through the Agency for International Development ("A.I.D.").

Based upon an agreement between the Task Force and members of your staff, this Grant is hereby partially terminated for convenience in accordance with USIA Grant provision, Section VI entitled, "Termination." It is hereby agreed that the amount of \$250,000 will be deobligated from the Grant. To this effect, the following changes are made:

A. Cover Page

1. In the first paragraph, delete a sum not to exceed "seven million six hundred eighty-five thousand dollars (\$7,685,000)" and substitute "7,435,000."

B. Schedule

1. In Section C., Amount Obligated and Payment, delete "\$7,685,000" and substitute "\$7,435,000."

C. Summary Financial Plan

1. In Section 1.0., Reserve Fund, delete "\$2,751,312" and substitute "\$2,501,312."

2. Under TOTAL, delete "\$7,685,000" and substitute "\$7,435,000."

02/12/90 09:27

NED

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02/09/1990 13:47 SER/OP/W

W1-766

02504525 P.04

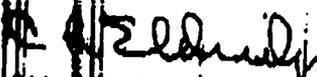
D. Attachment 2

1. Page 3, item 4) Reserve Fund, delete "\$2,751,312" and substitute "\$2,501,312."

2. Under TOTAL, delete "\$7,685,000" and substitute "\$7,435,000."

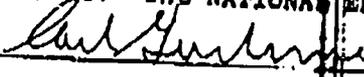
Please acknowledge receipt of the Amendment by signing all copies of this letter, retaining one set for your files and returning the remaining copies to the undersigned.

Sincerely,


Carolyn R. Eldridge
Grant Officer
Management Services Branch
Office of Procurement

Enclosures: a/s

ACCEPTED BY: THE NATIONAL ENDOWMENT FOR DEMOCRACY



TYPED NAME: Carl Gershman

TITLE: President

DATE: February 9, 1990

FISCAL DATA

PIO/T NO.: N/A
APPROPRIATION NO.: 72-110 P101
PROJECT NO.: 594-0007.05
BUDGET PLAN CODE: VAR9-90-29594-MG84
AMOUNT OF DEOBLIGATION: \$250,000
TOTAL ESTIMATED AMOUNT OF GRANTS: \$7,435,000
DUNS NO.: 13-227-9084
TIN NO.: 52-1344831
AID PROJECT OFFICER: Roger Noriega, TFHA

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

FEB 16 1990

Mr. Carl Gershman
President
National Endowment for Democracy
1101 - 15th Street, N.W. Suite 203
Washington, D.C. 20005

SUBJECT: Grant No. SPO-0000-G-SS-0005-00
Amendment No. 2

Dear Mr. Gershman:

The subject Grant is hereby amended pursuant to Public Law 101-119, approved by the President on October 21, 1989, the United States of America, acting through the Agency for International Development ("A.I.D.").

The purpose of this amendment is to authorize payment of municipal-level candidates performing authorized activities. To this effect, the following changes are made:

A. Attachment 1: Schedule

1. Section G(2)(g), delete in its entirety and substitute the following in lieu thereof:

"Any compensation to candidates (except for those on the municipal level for activities authorized in this agreement), political party leaders or campaign officers."

B. Attachment 2: Program Description

a. Attachment III: Voter Education

1. In Section C, VOTER PARTICIPATION, Paragraph 2, subparagraph 7, delete "Any salaries to candidates, political party leaders or campaign officers" and substitute the following in lieu thereof:

"Any compensation to candidates (except for those on the municipal level for activities authorized in this agreement), political party leaders or campaign officers."

b. GRANT MANAGEMENT, Paragraph 9, Subparagraph 6, delete in its entirety and substitute the following in lieu thereof:

"Any compensation to candidates (except for those on the municipal level for activities authorized in this agreement), political party leaders or campaign officers."

All other terms and conditions of the Grant remain unchanged.

Please acknowledge your receipt of this amendment by having an authorized official sign all copies of this amendment, keep one copy, and return the original and the remaining copies.

Sincerely,

Kathryn Y. Cuddingham
Grant Officer
Washington Projects Division
Office of Procurement

ACCEPTED BY: NATIONAL ENDOWMENT FOR DEMOCRACY

SIGNED NAME: Carl Gershman

TYPED NAME: Carl Gershman

TITLE: President

DATE: February 22, 1990

Fiscal Data

REQUESTING DOC.:	Fax dated 02-15-90
APPROPRIATION NO.:	72-119701038
BUDGET PLAN CODE:	VRR9-90 29594 HG84
AMOUNT OBLIGATED:	\$0
TOTAL ESTIMATED	
AGREEMENT AMOUNT:	\$7,435,000
TECHNICAL OFFICE:	TFHA, R. Noriega
DUNS NO.:	13-227-4984
TIN NO.:	52-134481

Copy For TFHA

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

JUN 12 1990

Mr. Carl Gershman, President
National Endowment for Democracy
1101 15th Street, N.W.
Suite 203
Washington, D.C. 20005

Subject: Grant No. SPO-0000-G-00-0005-05
Amendment No. Five (5)

Dear Mr. Gershman:

Pursuant to the authority contained in Public Law 101-119, the United States of America, acting through the Agency for International Development (A.I.D.), hereby amends this grant to the National Endowment for Democracy to extend the grant expiration date for all program activities to December 31, 1990, wherever it appears in this grant.

This amendment is effective as of the date of this letter, and shall apply to commitments made by the Grantee in furtherance of all program objectives during the period beginning October 1, 1989 and ending December 31, 1990.

This amendment is made on the condition that the funds for the activities in the original grant will be administered in accordance with the terms and conditions as set forth in the original Grant, and Amendments 1 and 2. The funds for activities authorized in Amendments 3 and 4 will be administered in accordance with the terms and conditions in the respective amendments.

Except as expressly herein amended, all other terms and conditions remain unchanged.

Please sign the original and all copies of this letter to acknowledge your receipt of the amendment, retain one copy for your files, and return the original and all other copies to this office.

Sincerely,



Morton Darvin
Grant Officer
Office of Procurement

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Grant No. LAC-0303-G-00-0003-01
Amendment No. One (1)
Page Two

FISCAL DATA:

PIO/T	594-000-3-990012(4)
Project No.:	594-0007.04
Approp. No.:	72-119/01038
Budget Plan Code:	VRR99029594KG13
Amount Obligated:	\$0
Total Amount Obligated:	\$7,435,000
Total Estimated Amount:	\$7,435,000
DUNS No.:	13-227-9084
IRD Employee ID:	53-1344831

ACCEPTED BY:

Carl Gershman

Date: 06/12/90

Typed Name: Carl Gershman

Title: President

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D.C. 20523

DEC 26 1989

Ms Sonia Picado Solela
Executive Director
Inter-American Institute for Human Rights
Center for Electoral Assistance and Promotion (CAPEL)
Apartado Postal 10,081
1000 San Jose, Costa Rica

SUBJECT: Grant No. SPO-0000-G-IN-0006-00

Dear Ms Picado

Pursuant to Public Law 101-119, approved by the President on October 21, 1989, The United States of America, acting through The Agency for International Development, (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to the Inter-American Institute for Human Rights" (hereinafter referred to as CAPEL or "Grantee") the sum of \$400,000.00 to be used for the purpose of providing assistance for free and fair elections in Nicaragua, as described in Enclosure 2, of this Grant entitled "Program Description."

This Grant is effective and obligation is made as of the date the Grant Officer signs this letter and shall apply to commitments made by the Grantee in furtherance of program objectives from the period October 1, 1989 and ending May 31, 1990, as stated in the Schedule, Enclosure 1.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Enclosure 1 entitled "Schedule," Enclosure 2 entitled "Program Description," and Enclosure 3 entitled "Standard Provisions," which have been agreed to by your organization. Enclosure 3 shall govern unless a specific waiver has been requested and approved by the Grant Officer. Grantee will insure that none of the Grant funds will be used for cash payments to individuals for political purposes, or to finance the campaigns of candidates for public office.

The Grantee's proposal dated November 24, 1989 is incorporated into this Grant by reference and made a part hereof.

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- 2 -

E. Funds Accountability and Reporting:

Grantee will maintain grant funds in a separate account. Throughout the project Grantee will ensure that a qualified audit firm will carry out an audit of the Grant activities and records of the Grantee on a concurrent basis. A final report by the Grantee's auditor on the activities and findings of its concurrent audit also shall be furnished within 60 days of the completion of the grant activities. Further information on the required audit activities or reports may be obtained from John P. Competello, Regional Inspector General/Audit, Washington, D.C., Telephone (703) 875-4171.

Grantee will also furnish to A.I.D. a monthly progress report on project activities by project component, including financial expenditures, progress toward achievement of the objectives of the grant, and a list of key actions which will occur during the next 30 days. This monthly project report shall be no more than two pages long, may use "bulletized format," and is due seven days after the end of each month the project is active.

All audit and progress reports shall be sent to the A.I.D. Office of Democratic Initiatives, LAC Bureau, Washington, D.C., and to the A.I.D. Regional Inspector General For Audit in Washington, D.C. Grantee will also prepare at the conclusion of the grant activities a detailed final project report on all aspects of the project, due 30 days after May 31, 1990.

F. Local Cost Financing:

Grant funds may be used without limitation for local cost financing in Nicaragua or Costa Rica in accordance with the Standard Provision entitled Local Cost Financing.

G. Indirect Cost Rate:

The Grantee will be allowed a provisional 20 percent indirect cost rate applied to direct grant costs during the Grant period, in accordance with Additional Standard Provision #13 -- Negotiated Indirect Cost Rate - Provisional. The recipient understands and agrees that this rate is a ceiling rate and that any rate fixed above it shall be borne by the Grantee.

H. Title to Property:

Title or ownership of property financed under the Grant shall be in the Grantee and the Standard Provision entitled "Title To and Use Of Property" (Grantee Title) shall apply.

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- 3 -

I. Procurement of Goods and Services:

All procurement with grant funds shall be undertaken and handled exclusively by the Grantee. The Grantee will not pass any of the grant funds directly to the Supreme Electoral Council of Nicaragua, nor to any person or entity with which the Council has contracted, as payment under such contract.

Under the Standard Provision entitled "A.I.D. Eligibility Rules For Goods and Services," section (b), the rules for a total procurement element of \$250,000 or less shall apply, which specifies an order of preference for source/origin, but does not require waivers from A.I.D.

J. Termination:

Notwithstanding the Standard Provision entitled "Termination and Suspension," A.I.D. may terminate this Grant, in whole or in part, on 24 hours notice, if, in A.I.D.'s judgment, events have occurred that make it unlikely that the objectives of the Grant can be attained. In such an instance, the Grantee shall immediately follow the procedures in Subsection (d) of the Standard Provision entitled "Termination and Suspension," to minimize all expenditures and obligations under the Grant and cancel unliquidated obligations whenever possible.

K. Special Provisions:

K.1. The Special Provisions applicable to this Grant are as follows:

Allowable Costs

Disputes

Revision of Grant Budget

Amendment

Nonliability

Notices

Accounting Audit &
RecordsU.S. Officials not
to Benefit

. 77'

- 4 -

K.2. The Additional Special Provisions applicable to this Grant are as follows:

Payment - Periodic Advances

Negotiated Indirect Cost Rates - Provisional

Title to and Care of Property (Grantee Title)

Subagreements

Publications

Conversion of U.S. Dollars to local currency

75'

Please acknowledge receipt of this Grant by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the undersigned.

Sincerely,

Kathryn Y. Cunningham
Grant Officer
Office of Procurement

Enclosures:

1. Schedule
2. Program Description
3. Standard Provisions

ACCEPTED BY:

TYPED NAME: Sonia Picado Sotela
TITLE: Executive Director
DATE: December 19, 1989

FISCAL DATA:

PIO/T NO.: 594-000-3-990013
APPROPRIATION NO.: 72-119-01000
BUDGET PLAN CODE: VRR99029594KG13
THIS OBLIGATION: \$400,000.
TOTAL OBLIGATION: \$400,000.
TECHNICAL OFFICE: TFHA
DUNS #:

Res Control 99° - R997020
Oblig SPO-0000-G-IN-0006-00

POSTED TO MACS	
RES CON #	<u>R997020</u>
OBLIGATED	<input checked="" type="checkbox"/>
INITIAL	<u>CP 1/5/90</u>
APPROVED	_____

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Enclosure 1

ScheduleA. Purpose of Grant:

The purpose of this Grant is to contribute to the promotion of democracy and national reconciliation in Nicaragua by providing assistance to support free and fair elections in that country.

B. Period of Grant:

The effective date of this Grant is the date of the Grant letter and the estimated expiration date is May 31, 1990. Funds obligated hereunder are available for program expenditures within the dates as described in Attachment 7 and as shown in the financial plan in section D below.

C. Amount Obligated and Payment:

A.I.D. hereby obligates \$400,000 for the purposes of this Grant. Payment will be made to the Grantee in accordance with the procedures set forth in Attachment 3, the Standard Provision entitled "Payment-Periodic Advance."

Financial Plan:

The following is the Grant Budget. Grantee may transfer amounts between budget line items up to 15 percent on any item except for indirect costs, and as long as the grant total is not changed, without obtaining approval of the Grant Officer. All other revisions to this budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget." A more detailed breakdown of individual line items is contained in Grantee's proposal and is incorporated herein by reference.

Cost Element:

	<u>US\$</u>
1. Pollwatcher Training	154,720
2. Training of Table Authorities	18,800
3. Civic Education Program	78,000
4. Observer Mission and Follow-up	59,980
5. Concurrent Audit Cost	8,500
6. Indirect Costs (20%)	<u>80,000</u>
Total:	\$400,000

90

ENCLOSURE 2

PROGRAM DESCRIPTION

Based on its revised proposal of November 1989, A.I.D. has granted \$400,000 to the Inter-American Institute for Human Rights' Center for Electoral Assistance and Promotion (CAPEL), based in San Jose, Costa Rica.

CAPEL is the electoral assistance program of the Inter-American Institute for Human Rights (IIHR), which is an autonomous, nongovernmental, academic organization dedicated to promoting respect for human rights throughout Latin America and the Caribbean through education, research, and dialogue.

The Institute created CAPEL in January 1983 to encourage and assist Latin American and Caribbean countries in promoting the free exercise of political rights through regularly-scheduled, credible elections. A.I.D. has been providing support to CAPEL since 1985, and CAPEL has launched an active program of training, technical assistance, research, and information dissemination, working throughout the region with electoral bodies, universities, bar associations, and other professional organizations.

CAPEL has been requested by both Nicaragua's Supreme Electoral Council (SEC) and the National Opposition Union (UNO) to assist the SEC in carrying out a training program for pollwatchers and voting table authorities from all political parties. In addition, CAPEL will conduct a civic education program and an election observer mission. CAPEL also has financing from the Governments of Switzerland and Canada for Nicaraguan election activities that will be complementary to the A.I.D. grant activities.

The grant activities are described in further detail below by activity component:

I. POLLWATCHER TRAINING - \$154,719

At the August 4, 1989 National Dialogue in Managua, the opposition parties and the Nicaraguan Government agreed that training in electoral law and procedures would be provided to pollwatchers from all political parties participating in the February 25 elections. In light of CAPEL's technical advisory experience in pollwatcher training in several Latin American countries, the SEC, whose Training Unit is responsible for implementing the program, requested technical advice and assistance from CAPEL on designing and conducting the training.

01/04/1990

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- 2 -

The proposed training will be similar to that provided earlier to prepare party representatives for their responsibilities during the registration process. That program, carried out by the SEC with funding from the Government of Switzerland, trained approximately 1,000 pollwatchers, of whom roughly 65% were from opposition parties. CAPEL provided advice on designing the training materials, helped coordinate the structural and logistical aspects of the program, reviewed materials and monitored implementation to assure that the training was technical in nature and free of partisan bias.

The focus of the training under this grant will be changed to account for the difference in pollwatcher responsibilities during registration vs. the actual election. The role of the pollwatcher during the registration process consisted of monitoring the work done by the table officials in recording names, birthdates and addresses of registrants, and distributing voter identification cards. For election day, pollwatchers are trained for the more complex role of preventing or reporting irregularities or violations of the electoral law and processes.

CAPEL will carry out the program using funds contributed by the Governments of Switzerland and the United States. The Swiss government has agreed to contribute approximately \$161,000 for this project. Switzerland's contribution will finance operational expenses and personnel costs in Nicaragua, such as salaries of SEC personnel (instructors, supervisors, coordinator, chief of operations and accountant), rental of training sites and vehicles, and per diem and travel costs of trainees.

A.I.D. funds will finance administrative and travel costs related to technical services of CAPEL staff and consultants, and the production of the educational materials to be used at the training seminars. CAPEL will not pass any A.I.D. funds to the SEC. CAPEL will provide technical advice and assistance to the SEC on the structure and design of the training program and related materials; advise on administrative and logistical matters; and monitor the progress of the program. Technical assistance will be provided by one full-time coordinator and one assistant, both of whom will make frequent visits to Nicaragua. (Through experience, CAPEL has discovered that it is more cost effective to travel than to set up an office in Managua.) In addition, visits by the directors of IHR and CAPEL and of high level consultants as may be required to adequately monitor the program will be financed under this grant.

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- 3 -

The educational materials which will be funded by A.I.D. include copies of the electoral laws and regulations, and a training manual for pollwatchers and voting table members with "practice forms" to help trainees become well-versed in the voting procedures in order to recognize any irregularities that might occur.

The materials will be compiled and designed in consultation with the SEC. CAPEL will review the materials with the SEC to ensure that they are free of partisan bias, and will take responsibility for producing the materials as well as for supervising their distribution and use in training seminars. CAPEL plans to contract with a printing firm in Costa Rica for the production of the training materials.

The quantities of materials budgeted for were determined as follows: The educational material quantities estimated by CAPEL and the SEC are determined by the following elements: number of voting tables (JRVs), number of inscribed political parties; number of pollwatchers each party has, and the coverage the program has in national, regional and municipal levels.

There are approximately 4,500 JRVs. Each party has the right to have a pollwatcher and alternate at every JRV (Art. 20, Electoral Law and modifications), for a total of up to 9,000 each. In the last meeting held with the SEC's Training Unit, they agreed that, considering the experience from the voter registration process, the training program will have a coverage of about 25,000 to 30,000 persons, depending on each party's capability. This figure was used to determine the budget estimates and the educational material figures.

The methodology of the pollwatcher training program is as follows: The Training Unit of the SEC plans to train 10 pollwatchers for each of the Juntas, or voting sites. Each site will have one pollwatcher from the FSLN, one from UNO and one from each of the other eight political parties participating in the election. Approximately fifteen well-educated Nicaraguans will be selected and trained as trainers during a two-day intensive seminar in Managua. These 15 trainers will, in turn, train about 105 other trainers at a three-day seminar in Managua. The 105 trainers will then be assigned to the nine electoral regions to conduct two-day seminars, training a total of approximately 1,500 trainers at the regional level.

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- 4 -

The responsibility for expanding the training to the municipal level has been assumed by the political parties, and will not be a part of the A.I.D.-funded program. The trainers at the regional level will be available to the parties to develop and carry out massive municipal level training, potentially reaching a total of approximately 43,940 pollwatchers. CAPEL staff and trainers from the previous levels will also be available to the parties to ensure the quality of training at the municipal level. Sufficient amounts of training materials to serve the training needs at the municipal level will be produced under the A.I.D. grant.

CAPEL staff and consultants will monitor each level of training, seeking to assure its objective, non-partisan nature and full participation in the training by representatives of all political parties.

II. TRAINING MATERIAL FOR JRV MEMBERS - \$18,800

The Juntas Receptoras de Votos (JRV) are the electoral bodies that are responsible for receiving and counting ballots on election day.

CAPEL's technical assistance to the JRV is being made upon request by the President of the Nicaraguan Consejo Supremo Electoral (SEC), Dr. Mariano Fiallos. No A.I.D. funds will be passed to the SEC by CAPEL.

This activity will provide audiovisual material to complement the educational program already developed by the SEC. CAPEL will produce a 3-minute video which will be aired approximately ten times on Channel 6 in the three weeks preceding the election day.

The video will contain a simulation of the work the JRV's will be performing on election day.

CAPEL will review the script with SEC to ensure that it does not contain political bias and that it adheres to Nicaraguan electoral law. CAPEL will produce the video. CAPEL's technical advisor will be present during the filming of the video and, if possible, the video will be edited in Costa Rica in order to supervise its final content.

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Once the video is prepared, CAPEL will make a copy available to the 10 political parties for their training purposes. CAPEL will make only as many copies as specifically requested by the 10 political parties. The budget reflects production of one video for each of the 10 political parties.

The SEC will be responsible for placing the video on TV channel 6 during prime viewing hours. At the same time, the SEC will place announcements concerning the hours of transmission in the major newspapers.

CAPEL has used videos as a teaching device with great success. It is potentially useful as a teaching device for JRVs as well as for political party pollwatchers and citizens. It can also serve to promote civic participation and responsibility. By helping Junta members better understand and prepare for their role on election day, the program helps political parties and members of each Junta know of, and protect, their electoral rights.

III. CIVIC EDUCATION PROGRAM - \$78,000

This program is similar to and will complement the Canadian-financed civic education campaign implemented by CAPEL in October during the voter registration process. The A.I.D.-funded program seeks to educate citizens in how to participate in the electoral process and to encourage citizens to vote, since large numbers of registered voters do not necessarily mean that citizens understand the electoral process or have confidence in it.

The civic education program prepared by CAPEL under this grant is designed to promote a high level of election day participation and to avoid the annulment of votes for lack of voter skills, or voter ignorance.

For this reason, CAPEL has designed a program similar to that financed by Canada, which includes production of materials and television announcements together with the Consejo Supremo Electoral (SEC) of Nicaragua.

The campaign itself will be instructional. That is to say, it will educate the voter on how and where to vote, and will last for three weeks beginning on the fourth of February and lasting until the day preceding the election.

- 6 -

The campaign includes the production of one short documentary of 90 seconds which will be shown on television channel 6 approximately 24 times during peak viewer hours.

The campaign also includes a line item which will be used for the design of three press announcements and a bulletin. Each announcement will be 1/4 of a page in size and will be published approximately 16 times per week in the major newspapers (Nuevo Diario, La Prensa, and the Barricada), a total of about 12 pages in three weeks.

Additionally, CAPEL will contract to print about 600,000 copies of an eight-page illustrated bulletin which will be distributed in the following manner (previously negotiated):

- A. An estimated 15,000 copies to each of the 21 registered political parties which totals 180,000 to the UNO and 15,000 to each of the remaining 9 parties, for a total of 315,000 copies.
- B. An estimated 135,000 copies which will be distributed by the Catholic Church throughout the country on the five Sundays preceding election day.
- C. An estimated 50,000 copies to be distributed by social organizations, unions, and regional organizations.
- D. An estimated 100,000 copies will be distributed to the "Consejo's Electorales Regionales" by the Consejo Supremo Electoral (CSE).

Lastly, CAPEL will contract to print approximately 50,000 color illustrated posters with a clear and simple message on voting procedures. Of these, 25,000 will be presented to the Consejo Supremo Electoral to divide among the voting centers, and the remaining 25,000 will be divided among public and commercial locations such as supermarkets, hospitals, banks, and other public locations.

In order to assure the effective distribution of these materials, the grant includes a line item for \$6,500 for the distribution of the material to public places and the personnel required to complete this task. CAPEL will select and pay these individuals directly.

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The A.I.D. grant will finance the salary of a full-time technical advisor from CAPEL's staff who will design the promotional campaign. No A.I.D. funds will be passed by CAPEL to the SEC. The directors of CAPEL and the Institute, their staff, and consultants who reside in Costa Rica will supervise the project by travelling periodically to Nicaragua. In this manner they will be able to review the project's progress and, if necessary, negotiate with the SEC officials. The A.I.D. grant will partially finance their travel expenses, but not their salaries, which will be funded from other sources. The technical advisor plans to make approximately 8 three-day trips to Nicaragua during a four-month period, but this figure could increase should additional visits be required. The other 22 three-day trips included in the budget will be divided, as required, among the five directors of CAPEL and its staff, since many of these trips will directly support the civic education program. All the trips needed for the program which CAPEL will carry out are included in this section with the exception of the observation mission program.

CAPEL will also develop an Electoral Promotion Campaign, sponsored by the Canadian Government, which will have as its purpose the motivation of voters. However, it should be pointed out that these two campaigns are completely independent and will not share any resources.

IV. OBSERVER MISSION - \$59,980

Given that many international organizations will establish observer missions, CAPEL proposes to form a relatively small mission, which will analyze the more technical aspects of election day activities. The A.I.D. funding for this component will be used to cover air fare, per diem, and some internal transportation costs of the delegation, as well as the preparation of the final report for the CAPEL program.

The 29-person delegation will primarily include members of electoral tribunals from other Latin American countries. The director of CAPEL and the IIHR, in addition to other renowned Latin American specialists, will participate. They will analyze the electoral law, study the conduct of the electoral process and campaigns; observe the performance and participation of pollwatchers; evaluate the human rights climate under which elections are occurring; and conduct dialogues with representatives of the political parties to determine if any irregularities, discrimination, or impediments existed during the election period.

In order to more efficiently use the visit to Nicaragua, CAPEL has established contacts with the UN and OAS missions, in order to coordinate efforts for the coming February election.

The CAPEL delegation will be a Latin American observer mission and the only mission with technical expertise. CAPEL has traditionally sponsored technical experts to observe elections in other countries in which it works. The findings of the delegation are also used to improve CAPEL's ongoing electoral assistance program.

CAPEL plans to field its observers in a way that is different from the other major observer groups. The observers will be broken into 2-person teams. Each team intends to provide day-long coverage to tables in a specific area (to be determined). Unlike other observer missions, they plan to return unexpectedly to the same tables throughout the day. In this way, they will gain a more complete picture of the technical conduct of specific tables on election day.

Each observer will submit a written report to CAPEL, which will be incorporated into a final observer team report.

In Latin America, with its relatively low salaries, there is no tradition of pro bono work by international observers as is the case in the United States. A small honorarium will be paid to each delegate for the income loss experienced by observers while in Nicaragua.

V. FINANCIAL MANAGEMENT

Following the practice established under previous A.I.D.-funded grants to IIHR/CAPEL supporting electoral training and civic education programs, IIHR will contract with a private accounting and auditing firm to conduct a concurrent audit of the program. An external auditor will audit the books and records of CAPEL on a continuing basis to identify and avert potential problems, reporting promptly and regularly to the IIHR Controller. The Controller will assure that the accountability standards for the use of A.I.D funds are met, including the submission of monthly financial status reports.

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

November 20, 1989

Allen Weinstein, President
The Center For Democracy
1101 15th Street, N.W.
Suite 505
Washington, D.C. 20005

Subject: Grant No. SPO-0000-G-00-0003-00

Dear Mr. Weinstein:

Pursuant to Public Law 101-119, approved by the President on October 21, 1989, the United States of America, acting through the Agency for International Development (A.I.D.), hereby grants to the The Center for Democracy (the Grantee), the sum of \$250,000 to be used for the purpose of providing assistance for free and fair elections in Nicaragua, as described in Attachment 1, the Schedule of this grant and Attachment 2, entitled "Program Description."

This grant is effective and obligation is made as October 1, 1989 and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending May 31, 1990, as stated in the Schedule, Attachment 1.

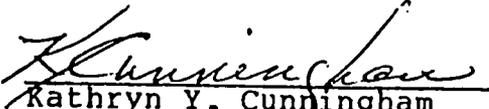
This grant is made on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled The Schedule, Attachment 2, entitled Program Description, and Attachment 3, entitled Standard Provisions, which have been agreed to by your organization. Attachment 3 shall govern unless a specific waiver has been requested and approved by the Grant Officer. Grantee will insure that none of the Grant funds will be used for cash payments to individuals for political purposes, or to finance the campaigns of candidates for public office.

The Grantee's proposal dated October 19, 1989 is incorporated into this Grant by reference and made a part hereof.

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Please sign the original and each copy of this letter to acknowledge your receipt of the grant, retain one copy for your files, and return the original and all other copies to this office. Please return all copies marked "funds available."

Sincerely yours,


Kathryn Y. Cunningham
Grant Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACCEPTED BY:


TYPED NAME: Allen WEinstein
TITLE: President
DATE: November 22, 1989

FISCAL DATA:

PIO/T NO.: 594-000-3-990008
APPROPRIATION NO.: 72-119/010-38
BUDGET PLAN CODE: VRR99029594KG13
THIS OBLIGATION: \$250,000.
TOTAL OBLIGATION: \$250,000.
TECHNICAL OFFICE: TFHA

ScheduleA. Purpose of Grant:

The purpose of this Grant is to contribute to the promotion of democracy and national reconciliation in Nicaragua by providing assistance to support free and fair elections in that country.

B. Period of Grant:

The effective date of this grant is October 1, 1989, and the estimated expiration date is May 31, 1990. Funds obligated hereunder are available for program expenditure within those dates as shown in the financial plan in Section D below.

C. Amount Obligated and Payment:

A.I.D. hereby obligates \$250,000 for the purposes of this Grant. Payment will be made to the Grantee in accordance with the procedures set forth in Attachment 3, ADDITIONAL STANDARD PROVISIONS, #3-- entitled "Payment - Periodic Advance."

D. Financial Plan:

The following is the general Grant Budget. Revisions to this budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget.

Notes To Budget: Flexibility: The Grantee is allowed 15% flexibility among line items in the budget.

A more detailed breakdown of individual line items is contained in Grantee's proposal and is incorporated herein by reference.

<u>Cost Element:</u>	<u>\$U.S.</u>
1. Pre-election Observation (staff salaries, office costs, airfare, in-country travel, housing & support)	87,000
2. Election Information (staff salaries, office costs, media time and voter education materials)	28,900
3. Resource Center (staff costs & publication and distribution of guidebooks)	16,100
4. Election Day Observation (staff salaries, office costs, airfare, in-country travel, housing & support)	46,000
5. Administrative Costs (production & distribution of final report and Controller salary)	4,600
6. Estimated Indirect costs (38%) (includes audit costs)	67,400
Total	\$250,000

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

FEB 27 1990

Allen Weinstein, President
The Center for Democracy
1101 15th Street, N.W.
Suite 505
Washington, D.C. 20005

Subject: Grant No. SPO-0000-G-00-0003-00
Amendment No. One (1)

Dear Mr. Weinstein:

Pursuant to the authority contained in Public Law 101-119, approved by the President on October 21, 1989, the United States of America, acting through the Agency for International Development (AID), hereby grants to The Center for Democracy (the Grantee), the additional sum of \$147,240 in further support of free and fair elections in Nicaragua, as described in the Program Description which is amended herein.

This amendment is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with October 1, 1989 and ending May 31, 1990.

This amendment is made on the condition that the funds will be administered in accordance with the terms and conditions as set forth in the original Grant, as amended herein.

The subject Grant is hereby amended as follows:

I. SCHEDULE

- A. Delete Section C. in its entirety, and substitute the following in lieu thereof:

"C. Amount Obligated and Payment:

AID hereby obligates the amount of \$397,240 for the purposes of this Grant. Payment will be made to the Grantee in accordance with the procedures set forth in Attachment 3, Additional Standard Provision 3, entitled "Payment - Periodic Advance".

- B. Delete Section D. in its entirety, and substitute the following in lieu thereof:

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"D. Grant Budget:

The following is the Grant budget. Revisions to this budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget". The Grantee is allowed 15% flexibility among line items in the budget.

A more detailed breakdown of individual line items is contained in the Grantee's proposal, as amended, and is incorporated herein by reference.

<u>Cost Element</u>	<u>Amount</u>
1. Pre-election Observation (staff salaries office costs, airfare, in-country travel, housing & support)	\$ 87,000
2. Election Information (staff salaries, office costs, media time and voter education materials)	\$ 28,900
3. Resource Center (staff costs & publication and distribution of guidebooks)	\$ 16,100
4. Election Day Observation (staff salaries, office costs, airfare, in-country travel, housing & support)	\$ 46,000
5. Costa Rican Delegation (ground transport, per diem, staff salaries, stipends, other direct costs)	\$ 17,862
6. Monitoring Activities (staff salaries, office costs, air fare, in-country travel, housing and support costs)	\$ 32,397
7. Needs Assessment (salaries, travel, per diem)	\$ 12,920
8. Legislative Training Program (logistics for participants, printed material/ equipment, staff salaries, per diem)	\$ 43,530
9. Administrative Costs (production & distribution of final report and Controller salary)	\$ 4,600
10. Estimated Indirect costs (38%) (includes audit costs)	<u>\$107,931</u>
TOTAL	\$397,240

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NOTES: Regarding funding provided in Amendment One, with the exception of the monitoring activity, which will go forward immediately following the February 25 election, funds will not be disbursed for post-election activities until a detailed program and implementation plan has been received from the Center and approved by LAC/DI.

Because of the heavy demand for hotel rooms in Managua during election week, participants are authorized to keep custody of their rooms in Managua while they are stationed in rural areas during the period February 24, 1990 through February 26, 1990."

II. PROGRAM DESCRIPTION

The Program Description contained in the original Grant is hereby amended to incorporate the following additional activities:

"The Grantee intends to add 16 observers from Costa Rica to its election day delegation to better ensure adequate geographic coverage by observers, particularly in Costa Rican citizens named to the Center's observer delegation by President Oscar Arias and President-Elect Rafael Calderon. These observers will be accompanying other members of the Center's delegation to rural areas and voting sites not likely to be attended by other observers. The presence of international observers at voting tables is essential for promoting confidence among voters in the integrity of the electoral process and for ensuring that the voting process is free and fair. Furthermore, some 3,000 voting tables were added in early February, bringing the total number of tables to about 8,300. While most of these tables are supposed to be located adjacent to other tables, some may be in separate sites at the same location. Additional observers would allow more comprehensive coverage at polling stations with more than one table and would help ensure that sites that may otherwise go unobserved would be visited by an observer on election day. The additional delegates are experienced election observers and will be drawn equally from both political parties in Costa Rica.

The following activities are added during the post-election period that are integral to the electoral process. The Center will continue its observation of the Nicaraguan political environment during the critical post-election period. Particular focus will be on monitoring any incidents of intimidation, violence, or political repression that might occur as a consequence of the election results. Additional support will cover costs associated with maintaining an on-the-ground presence in

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Nicaragua through May 31, 1990, as well as multiple visits by Center delegates.

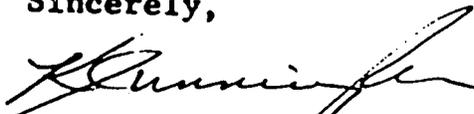
The Center will also provide technical assistance during the immediate post-election period. The Center will conduct an assessment of major governmental, legislative, legal, and other changes vital for encouraging both a short- and long-term democratic institution building process in Nicaragua.

The Center will design an orientation and training program for 90 newly elected members of the legislative Assembly of Nicaragua. The program will address the specific needs as expressed by the legislators. Topics will include, for example, the legislative process, the budgetary process, and constituent/member relationships."

Except as expressly herein amended, all other terms and conditions remain unchanged.

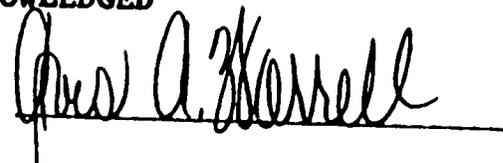
Please sign the original and all copies of this letter to acknowledge your receipt of the amendment, retain one copy for your files, and return the original and all other copies to this office. Please return all copies marked "funds available".

Sincerely,



Kathryn Y. Cunningham
Grant Officer
Office of Procurement

ACKNOWLEDGED

BY: 

TYPED NAME: Avis Worrell

TITLE: Controller

DATE: February 28, 1990

Fiscal Data

PIO/T No.: 594-000-3-99-0008, A. 1
Appropriation No.: 72-119/01038
Budget Plan Code: VRR99029594KG13
Resctlno.: R-997011
Project No.: 594-0007.05
Previous Obligation: \$250,000
This Obligation: \$147,240
Cumulative Obligation: \$397,240
Total Estimated Amount: \$397,240
Technical Office: TFHA
DUNS No.: 99-890-5079
TIN No.: 521385244

9/6

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

December 21, 1989

Mr. R. Bruce McColm
Executive Director
Freedom House
48 East 21st Street
New York, NY 10010

SUBJECT: Grant No. SPO-0000-G-IN-0008-00

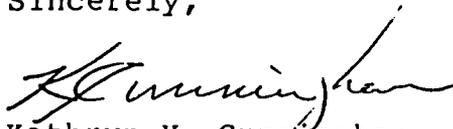
Dear Mr. McColm

Enclosed herein are copies of the proposed Grant. We request that you review these documents. In the event that a Grant is made to Freedom House, these documents will constitute the entire award.

This unsigned copy is for your review and comments and in no way commits the United States to any obligation of funds nor does it authorize your commencement of services outlined under your proposal dated November 17, 1989.

Please review the documents and acknowledge your acceptance by signing all copies, keeping one and returning the remainder to this office by Close of Business, January 3, 1990.

Sincerely,


Kathryn Y. Cunningham
Grant Officer
Office of Procurement

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

Mr. R. Bruce McColm
Executive Director
Freedom House
48 East 21st Street
New York, NY 10010

SUBJECT: Grant No. SPO-0000-G-IN-0008-00

Dear Mr. McColm

Pursuant to Public Law 101-119, approved by the President on October 21, 1989, The United States of America, acting through The Agency for International Development, (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to Freedom House (hereinafter referred to as the "Grantee") the sum of \$82,000.00 to be used for the purpose of providing assistance for free and fair elections in Nicaragua, as described in Attachment 1 of this Grant entitled "Schedule" and Attachment 2, entitled "Program Description".

This Grant is effective and obligation is made as of the date the Grant Officer signs this letter and shall apply to commitments made by the Grantee in furtherance of program objectives from the period October 1, 1989 and ending May 31, 1990, as stated in the Schedule, Attachment 1.

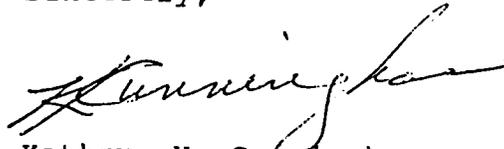
This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled "Schedule," Attachment 2 entitled "Program Description," and Attachment 3 entitled "Standard Provisions," which have been agreed to by your organization. Attachment 3 shall govern unless a specific waiver has been requested and approved by the Grant Officer. Grantee will insure that none of the Grant funds will be used for cash payments to individuals for political purposes, or to finance the campaigns of candidates for public office.

The Grantee's proposal dated November 17, 1989 is incorporated into this Grant by reference and made a part hereof.

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Please acknowledge receipt of this Grant by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the undersigned.

Sincerely,

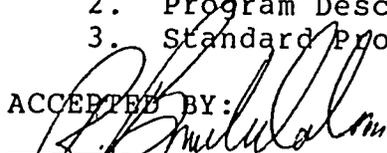


Kathryn Y. Cunningham
Grant Officer
Office of Procurement

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACCEPTED BY:


TYPED NAME: R. Bruce McColm
TITLE: Executive Director
DATE: December 28, 1989

FISCAL DATA:

PIO/T NO.:	594-000-3-990014
APPROPRIATION NO.:	72-119-01038
BUDGET PLAN CODE:	VRR99029594KG13
THIS OBLIGATION:	\$82,000.
TOTAL OBLIGATION:	\$82,000.
TECHNICAL OFFICE:	TFHA
DUNS #:	

ScheduleA. Purpose of Grant:

The purpose of this Grant is to contribute to the promotion of democracy and national reconciliation in Nicaragua by providing assistance to support free and fair elections in that country.

B. Period of Grant:

The effective date of this Grant is the date of the Grant letter and the estimated expiration date is May 31, 1990. Funds obligated hereunder are available for program expenditures during the period October 1, 1989 thru May 31, 1990.

C. Amount Obligated and Payment:

A.I.D. hereby obligates \$82,000 for the purposes of this Grant. Payment will be made to the Grantee in accordance with the procedures set forth in Attachment 3, the Standard Provision entitled "Payment-Periodic Advance."

D. Financial Plan:

The following is the Grant Budget. Grantee may transfer amounts between budget line items up to 15 percent on any item except for indirect costs, and as long as the grant total is not changed, without obtaining approval of the Grant Officer. All other revisions to this budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget." A more detailed breakdown of individual line items is contained in Grantee's proposal and is incorporated herein by reference.

<u>Cost Element:</u>	<u>US\$</u>
1. Pre-election Delegation Visit	28,600
2. Election Delegation Visit	30,300
3. Project Consultant	16,500
4. Auditing and Accounting	2,500
5. Indirect Costs (5% charged to project; other indirect costs to be paid by Grantee)	<u>4,000</u>
Total:	\$81,900

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E. Funds Accountability and Reporting:

Grantee will maintain grant funds in a separate account. Throughout the project Grantee will ensure that a qualified audit firm will carry out an audit of the Grant activities and records of the Grantee on a concurrent basis. A final report by the Grantee's auditor on the activities and findings of its concurrent audit also shall be furnished within 60 days of the completion of the grant activities. Further information on the required audit activities or reports may be obtained from John P. Competello, Regional Inspector General/Audit, Washington, D.C., Telephone (703) 875-4171.

Grantee will also furnish to A.I.D. a monthly progress report on project activities by project component, including financial expenditures, progress toward achievement of the objectives of the grant, and a list of key actions which will occur during the next 30 days. This monthly project report shall be no more than two pages long, may use "bulletized format," and is due seven days after the end of each month the project is active.

All audit and progress reports shall be sent to the A.I.D. Office of Democratic Initiatives, LAC Bureau, Washington, D.C., and to the A.I.D. Regional Inspector General For Audit in Washington, D.C. Grantee will also prepare at the conclusion of the grant activities a detailed final project report on all aspects of the project, due 30 days after May 31, 1990.

F. Local Cost Financing:

Grant funds may be used without limitation for local cost financing in accordance with the Standard Provision entitled Local Cost Financing.

G. Indirect Cost Rate:

The Grantee will be allowed a 5 percent indirect cost rate applied to direct grant costs during the Grant period.

H. Title to Property:

Title or ownership of property financed under the Grant shall be in the Grantee and the Standard Provision entitled "Title To and Use Of Property" (Grantee Title) shall apply.

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I. Procurement of Goods and Services:

Under the Standard Provision entitled "A.I.D. Eligibility Rules For Goods and Services," section (b), the rules for a total procurement element of \$250,000 or less shall apply, which specifies an order of preference for source/origin, but does not require waivers from A.I.D.

J. Termination:

Notwithstanding the Standard Provision entitled "Termination and Suspension," A.I.D. may terminate this Grant, in whole or in part, on 24 hours notice, if, in A.I.D.'s judgment, events have occurred that make it unlikely that the objectives of the Grant can be attained. In such an instance, the Grantee shall immediately follow the procedures in Subsection (d) of the Standard Provision entitled "Termination and Suspension," to minimize all expenditures and obligations under the Grant and cancel unliquidated obligations whenever possible.

K. Special Provisions:

K.1. The Special Provisions applicable to this Grant are as follows:

Allowable Costs	Disputes
Revision of Grant Budget	Amendment
Nonliability	Notices
Accounting Audit & Records	U.S. Officials not to Benefit

K.2. The Additional Special Provisions applicable to this Grant are as follows:

Payment - Periodic Advances

Negotiated Indirect Cost Rates - Provisional

Title to and Care of Property (Grantee Title)

Subagreements

Publications

Conversion of U.S. Dollars to local currency

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Program Description

I. Introduction

Freedom House is a tax-exempt, nonprofit, nonpartisan organization that has 47 years of experience is assisting human rights and pro-democracy groups in many parts of the world. Freedom House currently administers programs in both the Eastern bloc and Central America.

Under the grant, Freedom House will sponsor two delegations of Eastern European and Soviet democrats to observe pre-election and election day activities in Nicaragua. Every effort will be made to ensure that the same delegates participate during both trips. If important events in Eastern European countries make this impossible, however, provisions will be made to convey materials and knowledge to alternates.

The delegation will be comprised of leaders of democratic movements, such as the Alliance of Free Democrats (Hungary), Sajudis (Lithuania), and Glasnost magazine (Soviet Union). The newly elected president of the Human Rights Commission of the Polish Senate will chair the delegation. Many of the potential delegates have national, and in some cases, international reputations. The prestige and stature of the delegation will accord its findings a high degree of visibility and respect.

The Freedom House delegation will be one of several major groups observing the Nicaraguan elections. (Approval of the Nicaraguan Supreme Electoral Council for official observer status is pending.) It is important that these delegations remain independent to ensure credibility of their findings. Every attempt will be made, however, to coordinate the Eastern European observer team with other observer missions in-country to promote the exchange of information and ensure adequate geographic coverage.

The East European delegations' major objective will be to observe the electoral process, particularly as it pertains in political rights. As leaders of democratic movements in one-party states, this delegation is uniquely qualified to observe and report on the political rights of opposition parties in countries where the state controls the media, communications networks, civil service, police, and military.

It is also hoped that the presence of the observers from democratic movements in Eastern Europe will serve as a symbol of democracy to Nicaraguans and to the international community. Their participation, especially given historical events in their home countries, should underscore the notion that the Nicaraguan elections are of international concern and are part of a world wide movement toward democratization, not an isolated occurrence devised to address a problem specific to a particular region.

Freedom House will act as administrative coordinator for this project. These participants will have full responsibility for directing their two missions, shaping their own conclusions, and determining the content of what public statements, if any, they wish to make. Freedom House will also develop briefing materials, serve as liaison between East bloc groups and Nicaraguans before and after the observer visits, provide press contacts, and prepare summary reports and financial audits. The project activities are described in further detail below.

II. Project Activities

The project will have two phases:

1. A pre-election visit will be made to Nicaragua and Costa Rica in mid to late January by a study team of eight East bloc observers who will assess the campaign to date and the preparations for the February 25th vote. (In Costa Rica participants will be briefed on the Nicaraguan and Central American political situations by CAPEL, a group with which Freedom House has had a long association and whose board of Directors includes the Freedom House Executive Director, R. Bruce McColm.)

It is Freedom House's intention that the team members from the eastern countries have the widest possible authority in directing their own observer mission. The brief stopover in Costa Rica adds little if anything to the cost of this project (Costa Rica is actually by AID standards less costly than Nicaragua), but will provide important benefits. It provides a calm location in which members of the group can review the plans for their visit, make what schedule changes they may wish to suggest, and formulate the criteria they wish to employ while they are in Nicaragua. Because of communications difficulties in the eastern countries, this coordination will not be possible except during the stopover. The clear understandings that will be reached in Costa Rica advance of arrival in Nicaragua, will better enable the group to produce a strong and timely report.

2. The team will make a second visit to Nicaragua during the election itself. The team will again stop over in Costa Rica for a briefing and review of their criteria and schedule. It will also remain in Nicaragua for several days after the election to reflect upon the manner in which the election results seem likely to be translated into changes in the institutions of Nicaraguan government.

After the election, consideration will be given to further efforts that may be useful in strengthening ties between Nicaragua's democrats and those of the East bloc.

Each of the two visits described above will entail several steps of its own. Today Eastern Europe and the Soviet Union are themselves in great foment; because of this turmoil, substantial effort will be required to recruit, obtain travel visas for, and assist with travel arrangements for members of the study teams. Freedom House will need to send a representative to Nicaragua a week in advance of the arrival of each team to arrange significant appointments.

Language problems may pose some special difficulties for this project because Spanish is not a common second language in Eastern Europe. It may prove necessary to bring in translators for some observers who speak neither Spanish nor English; volunteers must be sought who can provide vigorous translation without introducing any political bias into the exchanges.

It will also be necessary to devote special attention to the preparation of briefing materials and briefing sessions for these observers. Freedom House will work closely both with CAPEL and the Electoral Tribunal of Costa Rica (which has closely studied the Nicaraguan electoral process), to assure that the orientation provided in Costa Rica is tailored to the particular interests and needs of the East bloc delegation. The proximity of the February 4th Costa Rican elections to the visits of these observers will afford them an example of another Central American election for comparison to what they find in Nicaragua. (Sonia Picado at CAPEL has agreed that her organization will cooperate in the project.)

During both visits, the observer team will make special efforts to visit provincial cities and rural areas where election observation efforts can have great importance. In all its travels within the country, the team will coordinate its work with the observation programs of the United Nations and the OAS, to avoid duplication of efforts. Freedom House has already written letters to Mario Gonzalez of the OAS and to Elliot Richardson of the U.N. observer teams informing them of its plans to bring this team to Nicaragua and requesting their advice about how best it can coordinate its efforts with theirs.

Both visas and formal observer status are being sought from the Supreme Electoral Council of Nicaragua for the members of this team. Representatives of Freedom House met Dr. Mariano Fiallos, the President of the Supreme Electoral Council, during his visit to the U.S. on November 16-17, and were assured of his cooperation in making the necessary arrangements. In the event that observer status is not granted, the project will still have validity because its principle concern is with the general state of political rights in Nicaragua. The observers will not, therefore, require direct access to the polling sites themselves.

Visit 1: The Pre-election Observer Mission

The team will arrive in San Jose, Costa Rica, on or about January 14, 1990, and will proceed to Managua on or about January 16. (A Freedom House representative will arrive in the region on or about January 8 to advance the trip.) The team will stay over in Costa Rica to become better acquainted, to more clearly focus its own ideas about the objectives of its mission, and to propose any changes or additions to the itinerary that it thinks may be needed. It will also be briefed on the latest developments in the election process both by CAPEL and the Costa Rican Election Tribunal.

After the two day briefing in San Jose the group will proceed to Managua. Meetings will be sought with, among others: President Daniel Ortega, The Nicaraguan Foreign Ministry, Members of the National Directorate of the FSLN, The Supreme Electoral Council, Dona Violeta Chamorro, The UNO Directorate, representatives of the United Nations and Organization of American States observer teams, diplomats from the home countries of the observers (if they desire such meetings), and the full range of other political parties, business associations, human rights organizations, labor unions, media and legal associations concerned with the elections.

The focus of this group will be the observance of political and related rights during the campaign period, and the question of a level playing field. Are all participants in the election being given a fair chance to present their candidacies to the public, and are any groups enjoying unfair advantages?

This team will remain in Nicaragua through the weekend of on or about January 20-21 to observe the weekend's campaigning, and will have the option of holding a press briefing on its final day in Managua. All efforts will be made to complete a preliminary report before the team leaves Nicaragua.

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Visit 2: Observing Election Day and After

The team will arrive in Costa Rica on or about Sunday, February 18th for briefing, and will depart for Nicaragua on or about the morning of February 20th. February 20th and 21st are the last two days of campaigning in the Nicaraguan election calendar: there will be a three day grace period before election day, Sunday, February 25. During this three-day period, many leading figures from the campaigns and civic groups will be available for discussions. The team will remain in Nicaragua until approximately Tuesday, February 27, in order to have time available for a possible press conference the day after the election results are announced.

The focus of the second observer visit will be the balloting, the vote count and problems of the immediate post-election period. Because of the campaign calendar, this group should be in the region for ten days, two days more than the pre-election study mission.

A Freedom House representative will travel to the region in mid January to make arrangements for this group to meet with the kinds of figures in Nicaraguan civic life that are mentioned above, as well as with other international observers.

Throughout both delegation visits, time will be allowed not only for the visitors to hear about the situation in Nicaragua, but also for the East bloc democrats to share their experiences with Nicaraguans.



ORGANIZACION DE LOS ESTADOS AMERICANOS
ORGANIZAÇÃO DOS ESTADOS AMERICANOS
ORGANISATION DES ETATS AMERICAINS
ORGANIZATION OF AMERICAN STATES

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RM
LTD
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17th Street and Constitution Avenue, N.W. Washington, D.C. 20006

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March 12, 1990

Ted
Dear Mr. Morse:

As you requested, enclosed is a Statement of Changes in Fund Balance for the USAID funds made available to the OAS for the Election Observation in Nicaragua. The statement covers the activity from inception (January 1, 1990) to February 28, 1990; however, it excludes obligations incurred in Nicaragua in February not reported to Headquarters as of February 28th.

Later this week we will provide you with a check in the amount of \$5,438 representing the interest earned on the advance provided by USAID.

Should you need additional information, please do not hesitate to let me know.

Yours very truly,

Jim
James B. McCeney
Treasurer

Enc.

Mr. Ted Morse, Director
Task Force for Humanitarian Affairs
AGENCY FOR INTERNATIONAL DEVELOPMENT
Twenty-first Street & Virginia Avenue, NW
Washington, D. C. 20523-0021

FSFD07
[DATA]
Rev. 03-08-90

ORGANIZATION OF AMERICAN STATES
ELECTION OBSERVATION - NICARAGUA
FUNDS PROVIDED BY USAID

STATEMENT OF CHANGES IN FUND BALANCE

FROM INCEPTION (JANUARY 1) TO FEBRUARY 28, 1990

Increases	
USAID contribution	\$2,000,000
Interest income	5,438

	\$2,005,438

Decreases	
Obligations and expenditures *	
Experts	\$ 59,162
International travel	1,419,721
Equipment	371,010
Housing rental	14,331
Insurance & other costs	57,608

	\$1,921,832

Fund Balance	\$ 83,606
	=====

* Does not include certain obligations incurred in Nicaragua
but not reported to Headquarters at February 28, 1990

OFFICIAL

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

ELEC: Funding
OAS

Info
cc: ELEC Dist.

DIST

December 29, 1989

DON

Ambassador Robert M. Sayre
Assistant Secretary for Financial Management
Organization of American States
17th Street and Constitution Ave., N.W.
Washington, D.C. 20006

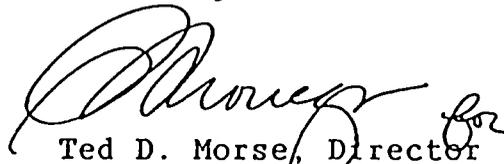
Dear Ambassador Sayre:

This is to acknowledge receipt and acceptance of your letter requesting an advance of \$2 million for election verification activities. The budget you submitted, dated December 1, 1989, has been reviewed and is consistent with our consultations in September. These funds are made available in accordance with Section C, Part 9 of the program description of the Verification Commission Cooperative Agreement.

Approval of this advance is made with the understanding that these funds will be used to provide thorough observation and reporting of the Nicaraguan election process. Effective election observation is indispensable in fostering a free and open campaign as well as a fair and honest election in Nicaragua.

These funds are available to cover project costs up to March 31, 1990. Please be sure to provide documentation to liquidate the advance once activities are completed. We appreciate your assistance in this matter and remain available to assist in this important activity whenever possible.

Sincerely,



Ted D. Morse, Director
Task Force for Humanitarian
Assistance
Agency for International
Development

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Drafted:TFHA:DSoules:ds:12/27/89:2548B:x70458
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

Cleared:TFHA:RNoriega:(draft):12/28/89
ARA:JSullivan:(draft):12/28/89
ARA/OAS:OLee:(draft):12/28/89
D/TFHA:TMorse:(phone):12/28/89

Billie f File

FINAL REPORT

ELECTION MONITORING/MANAGUA 1990

ROBERT MURPHY
4611 DE RUSSEY PARKWAY
CHEVY CHASE, MARYLAND 20815
CONTRACT NUMBER TFHA/W-C-99003-00

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1. EXECUTIVE SUMMARY
2. SCOPE OF WORK
3. ACTIVITIES UNDERTAKEN AND ACCOMPLISHMENTS ACHIEVED
4. CONCLUSIONS AND RECOMMENDATIONS

1. EXECUTIVE SUMMARY

Despite the late arrival and delayed availability of U. S. funding, the short term effect of the \$9 million grant was positive. While there were justifiable complaints that the U.S. government bureaucracy was compounded by the Government of Nicaragua (GON) bureaucracy, the major delays were caused by the unilateral policies of the GON. Only after repeated pressure from all parties concerned and beginning of negative press reports were the funds ultimately released.

As it turned out, the delayed release of the funding was propitious. The arrival of the vehicles and office equipment were of critical assistance to the UNO during the final weeks of the campaign. The vehicles were of vital importance during the training of the poll watchers. The funding of the UNO infrastructure helped make the UNO victory possible.

The grant-funded activities which were most decisive in guaranteeing free and fair elections were:

1. The civic education campaigns conducted by IPCE, Via Civica, and the Supreme Electoral Council (whose ads were developed and produced by CAPEL) which informed voters that the electoral process and the vote were secret.
2. The training of some 16,000 poll watchers; and
3. The continuous presence of the international observer groups.

Without US funds, these programs would not have been possible.

Additional factors entering into the final election results were the people's awareness of the FSLN's million dollar campaign in a country where public services had declined steadily since 1979; the war-weariness of the populace; and the knowledge that ten years of FSLN control had left Nicaragua poorer, with fewer resources, and only a limited prospect for improvement in the future.

2. SCOPE OF WORK

Contract # TFHA/W-W-C-99003-00

B. Statement of Duties

1. Objective

The Contractor will monitor and report on all A.I.D.-funded election support activities in Nicaragua. The objective is to seek to ensure that resources provided to support free and fair elections in Nicaragua are thoroughly accounted for and used in a manner consistent with the A.I.D. grant guidelines and the intent of the law. Any questionable activities will be immediately brought to the attention of AID/TFHA/W. TFHA/W will disseminate information to all concerned parties in Washington.

2. Scope of Work A. Monitoring election support, observing, and civic education. A.I. D. will obligate roughly \$1.1 million to four (4) grantees for various monitoring, training, and civic education activities intended to encourage citizen participation and seek to ensure the integrity of Nicaragua's national elections scheduled for February 25, 1990. In addition, A.I.D. may provide roughly \$3 million to the Organization of American States (OAS) to support monitoring activities. The Contractor will establish contact with the representatives of each grantee and report on the status of the grantee implementation of activities authorized under the individual grants. The Contractor will be provided full access to all grantees and will report problems to the U.S. Embassy in Managua and AID/TFHA/W. As necessary, the Contractor shall be prepared to transmit AID/W instructions to the grantees, and/or provide grantees with constructive suggestions aimed at the development of more effective coordination and implementation of funded activities.

B. Support to Internal Groups: A.I.D. will provide the National Endowment for Democracy (NED) approximately \$5 million to support a broad coalition of internal groups and other independent elements of society to encourage the democratic process in Nicaragua. These funds will be channelled through various subgrants, primarily through the National Democratic and National Republican Institutes (NDI/NRI), which will have personnel on the ground to manage the activities of their subgrantees. NDI/NRI will provide roughly 1.8 million in support to the National Opposition Union (UNO), an opposition political alliance, and \$1.7 million to the Instituto para la Promoción y la Capacitación Electoral (IPCE), a nonpartisan foundation established recently to provide civic education. In addition, NED will provide roughly \$500,000 to CUS, an independent Nicaraguan labor

organization coalition, and \$200,000 to Via Civica, a Nicaraguan civic group, for nonpartisan activities aimed at promoting broad participation in the upcoming national elections.

These NED grants will be channeled through U.S. organizations (AIFLD and IFES, respectively) which will provide close oversight on local activities.

The Contractor will establish contact with representatives of each grantee and subgrantee, monitor and report on grant compliance, the organization, objectives, accomplishments, and ongoing activities. (Contact with local Nicaraguan organizations will be closely coordinated with grantee counterparts also located in Nicaragua (NDI/NRI, AIFLD, IFES)). The contractor will be provided full access to all grantees and will report progress and any problems to AID/TFHA/W. The contractor shall, as necessary, offer suggestions to the grantees and subgrantees geared to more effective coordination/implementation of funded grant components; and, as required, convey AID/TFHA communications to grantees and/or subgrantees. While it is understood that the primary U.S. grantees have primary responsibility for grant activity management, the Contractor shall, to the extent acceptable to the U. S. grantees, actively assist grantees in the implementation of A.I. D. funded activities.

3. ACTIVITIES AND ACCOMPLISHMENTS

Activities under the contract began in late November with briefings by members of the AID/W TFHA and LAC/DI offices. Meetings and discussions covering program activities were also held with the grantees and sub-grantees located in the Washington, D.C. area. Similar briefings were made to the second member of the team in late January before her arrival in Nicaragua.

Activities began in Nicaragua, December 2, 1989. Initial contacts were made with the representatives of the various contractors and sub-contractors located in Managua; with members of Price-Waterhouse, the principal auditors for the majority of the funding coming into the country; with representatives of the General Accounting Office, who have fiscal responsibility for the use of the grant funds; and with representatives and members of the Nicaraguan counterpart organizations.

During the month of December much of the activity concentrated on resolving the problems involved in the initial availability of funds to the various contractors; the subsequent major difficulty involving the transfer of funds into Nicaragua; and the access and use of those funds by the procurement specialist and the Nicaraguan counterpart organizations once funds were in country.

No funding was available for use within Nicaragua until late in January, 1990, less than one month prior to the elections. The myriad of problems encountered in the transfer of funds between U.S. banks and the Central Bank of Nicaragua and the intransigent Nicaraguan bureaucracy have been covered in detail in separate reports submitted by NED, NDI/NRI/W and NDI/NRI/Nicaragua.

During December and January repeated and constant pressure was brought to bear on the GON by representative of the U.S. Embassy and by contractors and sub-contractors. Following a meeting between former President Carter and President Ortega there was forward movement on the access to funds needed for the procurement of commodities and for the Nicaraguan counterpart organizations.

Subsequent to this meeting, Minister Henry Ruiz of the Ministry of Foreign Cooperation convened a meeting of representatives from Banco Central, Customs Service, Foreign Ministry, and the Nicaraguan counterpart organizations to further define additional demands being placed on the use of the funds.

Two days later, during the last week of January, funds were released for: UNO expenses; the procurement of commodities; the initiation of public education campaigns; and the voter verification process, and the training of poll watchers.

Final procurement of vehicles and office equipment for UNO began immediately and the majority of the commodities were delivered by February 8. A few commodities that would have been helpful to the electoral process, but in hind sight were not critical, were detained in the GON customs and not released until after the elections. During the week of February 5, vehicles were distributed to voter verification activists and those involved in the training of the poll watchers.

The arrival of the second member of the contract team in country on February 3 greatly increased the coverage available to the grant funded organizations. The level of communication and reporting with the U. S. Embassy and AID/W was further enhanced. The total effectiveness of the contract team was greatly improved.

The voter registration verification program was delayed beyond the date allowed for submitting changes; detected discrepancies could not be corrected. While further voter list verification was continued, the ultimate use of the limited information developed was solely for the purpose of public opinion enhancement and could not be used for improving the UNO voter registration lists.

The civic education campaigns, which had begun in anticipation of funding, continued and increased in emphasis once funding was made available.

These grant-funded campaigns, carried out by CAPEL, IPCE, and Via Civica and augmented by CUS training activities were of critical importance. They alleviated voters' fears concerning government intimidation and assured voters that the election process would truly be secret. While much of the civic education was, of necessity, repetitive, the end result of the combined campaigns was an electorate well informed as to the electoral process.

It was late in the campaign when the FSLN became conscious of the success of the civic education campaigns. In the week immediately preceding the elections, the Supreme Electoral Council (CSE) rescinded earlier agreements and denied permission for CAPEL to transmit TV spots stressing the secrecy of the vote over the state controlled networks. In addition CAPEL was denied permission to distribute flyers explaining the voting process. The popular impression was that the FSLN equated a secret vote as a vote for the UNO.

Via Civica and CUS were unable to gain access to grant funding. Despite good faith efforts, Via Civica did not receive its legal status (persona juridica) and therefore did not comply with Ministry of External Cooperation (MCE) and Central Bank requirements. Via Civica was able to carry out a portion of its civic education campaign using funds from other sources which were not subject to the restrictions imposed by the US Congress or the GON.

CUS, likewise, was unable to comply with MCE and Central Bank requirements. But the voter awareness and civic education program that CUS was implementing basically proceeded as planned. AIFLD was able to temporarily re-program less restricted funds from other country activities.

The civic education and voter awareness campaigns covered all areas of the country and were monitored by the contractors. In all but a few instances announcements and ads complied with the agreed-upon restrictions. Exceptions in which the material could be construed to be bipartisan were immediately cancelled.

These campaigns contributed to increased confidence on the part of the voters, ensuring a large voter turnout, and thereby guaranteeing victory for the UNO.

IPCE's poll watchers training utilized materials designed and produced by CAPEL and trained approximately 16,000 individuals throughout the country. CAPEL was responsible for the training of all poll watchers at the Regional level. Subsequent training at the Departmental and Municipal level was implemented by IPCE, with technical assistance and limited supervision by CAPEL. Through personal observation and reports of other observers, the majority of the voting tables were manned by both UNO and FSLN poll watchers who were serious, professional and in attendance from the time of the opening of the tables until the final votes were counted.

It should be noted that the majority of the FSLN post-election intimidation is directed against those who were UNO poll watchers who have made their allegiance public.

The presence of International Observers throughout the electoral process was an additional factor in guaranteeing a clean election. Both the OAS and the Center for Democracy observer groups submitted reports detailing the violence which occurred following the UNO-sponsored rally in Masatepe on December 11. These reports, and subsequent publicity, provided the final motivation for both major parties to agree to control their activists in preventing further violence.

The International Observers had a direct and positive influence on two aspects of the electoral process: Assuring that the mechanical and technical aspects of the process were in accordance with the Nicaraguan Electoral Law; and by their presence throughout the campaign and on election day, contributing to the level of confidence of the voting population.

Technical preparations under which the election was conducted appeared to be generally acceptable at both national and local levels. With the extraordinary number of International Observers in the country, any systematic attempt to defraud the process or substantially alter the results would have been detected.

The considerable delay in the release of the certified final count raised the possibility of change in the final count. It is understood that the UNO will be filing a series of protests (impugnaciones) in relation to the final vote count for various municipalities and individual assembly seats.

It is impossible to refer to the campaign environment as having been fully free and fair. Intimidation of UNO affiliates and harrassment of UNO municipal candidates resulted in a high number of resignations of candidates. The UNO suffered from a serious lack of access to the state-run TV, and there was an tremendous FSLN financial and administrative advantage due to the widespread use of GON resources during the campaign. Notwithstanding all these advantages, the presence of the International observers throughout the electoral process and specifically on election day were instrumental in assisting the voters to attain a level of confidence which encouraged them to vote their conscience, knowing that the ballot was secret.

4. CONCLUSIONS AND RECOMMENDATIONS

The majority of the following recommendations are country specific; however, there are certain generalizations that apply in whatever country these type of activities are undertaken.

1. A low public profile of all foreign advisors involved in another country's electoral process must be maintained.
2. AID must inform in advance, in writing, all grantees, sub-grantees, counterpart agencies and institutions involved in an electoral process as to the presence, responsibilities, and authorities of AID contractors.
3. Parameters must be established, in advance, as to the degree to which the policies of the host government will be adhered to. In the support of a democratic election, to what limit should the policies of a non-democratic government be abided by? Should the policies of the host government be followed to the total detriment of the intent of the project?
4. Coordination of International Observers should be agreed upon in advance. Duplication of effort and concentration of observers in the most accessible locations are a constant occurrence.
5. A central source should be established for the procurement of some of the basic commodities needed for general elections. The establishment of a commodities bank of election related materials the Central American Countries,
6. CAPEL should be designated as the repository of all general electoral-related materials that have been developed to date.
7. CAPEL should determine the feasibility of operating as an independent organization and no longer as a dependency of the Interamerican Institute of Human Rights.

8. Funding should be identified for the establishment of a Central American Institute dedicated to the development of political party infrastructure and institutionalism.

9. The Nicaraguan Civil Registry must be reorganized and a permanent registry system be established. This should be designed so as to conform with a unified regional Central American registry system.

10. Sub-grantees must have a representative in country in order to assure that the counterpart organization receive funds. A case in point is Via Civica, which to date has received no funding from its granting organization, for election related programs.

U.S. FUNDS GRANTED TO THE FREE AND FAIR ELECTORAL PROCESS IN
NICARAGUA

NATIONAL ENDOWMENT FOR DEMOCRACY	\$7,685,000
Union Nacional Opositora.	\$1,800,000
Supreme Electoral Council	1,800,000
Institute for Electoral Promotion and Training (IPCE).	1,500,000
Via Civica.	220,000
Nicaraguan Labor Federation (CUS)	493,000
Activities Consistent w/legislation	970,000
Management, Oversight	897,400
Price Waterhouse, Touche Ross Program Management, Procurement	
ORGANIZATION OF AMERICAN STATES (OAS)	3,000,000
PRESIDENT CARTER'S COUNCIL OF FREELY-ELECTED HEADS OF STATE	400,000
INTERNATIONAL INSTITUTE FOR HUMAN RIGHTS/ CAPEL.	400,000
CENTER FOR DEMOCRACY	250,000
OFFICE OF THE INSPECTOR GENERAL AND ONE ELECTION EXPERT .	180,000
FREEDOM HOUSE	82,000

TOTAL: \$11,827,000

República de Nicaragua
Consejo Supremo Electoral
Informe Definitivo
Consolidado Nacional

Resultado de las votaciones para Presidente y Vice-Presidente

Circunscripción	Total J.R.V.	Total Inscritos	J.R.V. Reportados	Votos			Votos válidos por Partido										
				Depositados	Nulos	Validos	UNO	PSOC	PLIUN	PRT	FSLN	MAP-ML	PSC	PUCA	PCDN	MUR	
Región I	461	169130	461	150223	10549	139674	66661	562	352	695	66960	916	811	528	403	1786	
Región II	707	294650	707	252314	11279	241035	126386	925	728	1674	105176	1329	1190	779	592	2256	
Región III	1096	462771	1096	408987	17569	391418	209527	1157	541	3396	168071	1126	2373	1120	984	3123	
Región IV	860	300313	860	270298	16267	254031	135117	926	412	1289	110090	1181	986	772	721	2537	
Región V	478	174770	478	147867	8380	139487	97911	761	317	389	35081	866	690	551	654	2267	
Región VI	496	245334	488	197887	16343	181544	105020	1180	653	925	65499	2003	1310	982	800	3172	
Región VII	154	60414	154	47186	7241	39945	19253	119	73	119	15044	441	3365	155	175	1201	
Región VIII	96	29395	95	23334	1853	21481	13040	105	44	75	7256	145	362	105	92	257	
Región IX	44	15311	44	12742	813	11929	4637	63	31	28	6709	108	49	73	79	152	
Nacional	4392	1752088	4383	1510838	90294	1420544	777552	5798	3151	8590	579886	8115	11136	5065	4500	16751	
Abstencion: 13.7% - 241250				6.0%		94.0%		54.7%	0.4%	0.2%	0.6%	40.8%	0.6%	0.8%	0.4%	0.3%	1.2%

Resultado de las votaciones para la Asamblea Nacional

Circunscripción	Total J.R.V.	Total Inscritos	J.R.V. Reportados	Votos			Votos válidos por Partido									
				Depositados	Nulos	Validos	UNO	PSOC	PLIUN	PRT	FSLN	MAP-ML	PSC	PUCA	PCDN	MUR
Región I Diputados	461	169130	461	150038	10728	139310	66241	640	378	750	67035	928	864	540	419	1515
Región II Diputados	707	294650	707	252321	11465	240856	125986	989	837	1780	105357	1346	1314	832	633	1782
Región III Diputados	1096	462771	1096	409413	17449	391964	209125	1442	714	4839	166488	1327	2812	1340	1215	2662
Región IV Diputados	860	300313	860	271617	17509	254108	133872	1084	489	1847	111036	1126	1048	825	763	2018
Región V Diputados	478	174770	478	147598	8299	139299	97847	783	361	401	35055	859	769	576	743	1905
Región VI Diputados	496	245334	488	197789	16445	181344	104707	1227	734	969	65568	2051	1374	1061	871	2782
Región VII Diputados	154	60414	154	47248	7646	39602	9918	1	-	-	15136	3	13201	172	252	919
Región VIII Diputados	96	29395	95	23369	2109	21260	12479	142	-	-	7308	3	836	130	90	272
Región IX Diputados	44	15311	44	12714	1073	11641	4573	-	2	-	6740	-	-	89	97	140
Nacional Diputados	4392	1752088	4383	1512107	92723	1419384	764748	6308	3515	10586	579723	7643	22218	5565	5083	13995
							51				38		1			1

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NEW COSTS

----- PHASE III -----

ACTIVITY	PHASE II BUDGET	AV OBLIG PER MONTH	SEVEN MONTH BUDGET	TEN-MONTH BUD (A/AID)	ELEVEN MONTH BUDGET	TWELVE MONTH BUDGET
ASSISTANCE	42,833	299,833	471,167	514,000		
ANCE ADMINISTRATION						
AN RIGHTS ACTIVITIES						
ASON & MONITORING (ANDPH)	15,000	105,000	250,000	165,000	180,000	
VESTIGATIONS & PROSECUTION (FISCALIA)	20,000	140,000	500,000	220,000	240,000	
TOTAL	35,000	245,000	750,000	385,000	420,000	
ICLES FOR TRANSPORTATION						
ARGE TRUCKS (6) @ \$50,000	50,000	300,000	300,000	300,000	300,000	
MALL TRUCKS (12) @ \$30,000	60,000	360,000	360,000	360,000	360,000	
UTOMOBILES (12) @ \$30,000	60,000	360,000	360,000	360,000	360,000	
ULLDOZER	25,000	150,000	150,000	150,000	150,000	
OAD SCRAPER	25,000	150,000	150,000	150,000	150,000	
OATS WITH MOTORS (10) @ \$15,000	25,000	150,000	150,000	150,000	150,000	
TOTAL	245,000	1,470,000	1,470,000	1,470,000	1,470,000	
MUNICATIONS EQUIPMENT						
ADIOS	58,333	350,000	350,000	350,000	350,000	
PARE PARTS	25,000	300,000	300,000	300,000	300,000	
TOTAL	83,333	650,000	650,000	650,000	650,000	
F H DEVELOPMENT						
EDS, ALIZER	10,000	70,000	120,000	120,000	120,000	
GRICULTURAL IMPLEMENTS	10,000	70,000	120,000	120,000	120,000	
EDICAL SERVICES TO CIVILIANS	15,000	105,000	180,000	180,000	180,000	
ETERINARY SERVICES	30,000	210,000	360,000	360,000	360,000	
LINIC/SCHOOL REPAIR	20,000	140,000	240,000	240,000	240,000	
OAD MAINTENANCE/REPAIR	40,000	280,000	480,000	480,000	480,000	
TOTAL	165,000	1,155,000	1,980,000	1,980,000	1,980,000	
NATIONAL TRAINING & EDUCATION						
MUNITY EDUCATION	225,000	1,575,000	2,300,000	2,475,000	2,700,000	
TOTAL	50,000	350,000	1,000,000	550,000	600,000	
TOTAL NEW COSTS	846,167	5,744,833	6,030,000	7,981,167	8,334,000	
TOTAL HA BUDGET INCL NEW COSTS	4,746,167	33,044,833	46,870,660	51,691,823	55,134,000	
NSPORTATION:						
AIR	322,160	2,255,117	3,865,916	3,865,916	3,865,916	
SURFACE	110,192	771,344	1,322,303	1,322,303	1,322,303	
SUBTOTAL TRANSPORTATION	432,352	3,026,461	5,188,219	5,188,219	5,188,219	
RATING EXPENSES:	416,667	2,916,667	5,000,000	5,000,000	5,000,000	
TOTAL PROGRAM (W/O NEW COSTS)	4,864,018	34,048,128	51,028,879	53,898,875	58,368,219	
(WITH NEW COSTS)	5,667,352	39,671,461	57,058,879	61,880,041	68,008,219	

4.5 X 10 = 45,000,000 4.5 X 11 = 49,500,000

CASH FOR FOOD IS INCREASED FOR PHASE III IN ANTICIPATION OF INCREASED NEED FOR CASH OR FOR FOOD IN KIND

S U M M A R Y O F S C E N A R I O S

20-Aug-89

C O S T E L E M E N T S

D E S C R I P T I O N	TOTAL NO. OF TROOPS	NO. OF FAMILIES	TOTAL NO. OF PEOPLE	C O S T E L E M E N T S					T O T A L
				FOOD & CLOTHING	INFRA- STRUCTURE	VOCATIONAL NEEDS	TRANSPOR- TATION	PUBLIC SERVICES	
1. RESETTLEMENT	20,000	5,000	60,000						
FIRST YEAR				22,250,000	68,705,000	39,150,000	5,880,000	2,316,000	138,301,000
SECOND YEAR				13,250,000	1,060,000	6,190,000	480,000	2,316,000	23,296,000
TOTALS				35,500,000	69,765,000	45,340,000	6,360,000	4,632,000	161,597,000
2. MIXED RESPONSES									
2A. REPATRIATION	3,000	750	9,000						
FIRST YEAR				3,337,500	8,432,500	5,765,000	2,912,000	423,000	20,870,000
SECOND YEAR				1,987,500	375,000	3,369,000	12,000	423,000	6,166,500
TOTALS				5,325,000	8,807,500	9,134,000	2,924,000	846,000	27,036,500
2B. RELOCATION	2,000	500	6,000						
FIRST YEAR				3,337,500	8,395,000	3,915,000	2,012,000	327,000	17,986,500
SECOND YEAR				1,987,500	375,000	3,319,000	12,000	327,000	6,020,500
TOTALS				5,325,000	8,770,000	7,234,000	2,024,000	654,000	24,007,000
2C. RESETTLEMENT	15,000	3,750	45,000						
FIRST YEAR				16,687,500	52,297,500	29,550,000	4,905,000	1,749,000	105,189,000
SECOND YEAR				9,937,500	935,000	5,530,000	480,000	1,749,000	18,631,500
TOTALS				26,625,000	53,232,500	35,080,000	5,385,000	3,498,000	123,820,500
TOTAL 2A+2B+2C	20,000	5,000	60,000						
FIRST YEAR				23,362,500	69,125,000	39,230,000	9,829,000	2,499,000	144,045,500
SECOND YEAR				13,912,500	1,685,000	12,218,000	504,000	2,499,000	30,818,500
TOTALS				37,275,000	70,810,000	51,448,000	10,333,000	4,998,000	174,864,000
3. REFUGEE CAMP	20,000	5,000	60,000						
FIRST YEAR				22,250,000	49,045,000	5,880,000	3,750,000	1,200,000	82,125,000
SECOND YEAR				22,250,000	802,000	480,000	1,500,000	1,200,000	26,232,000
TOTALS				44,500,000	49,847,000	6,360,000	5,250,000	2,400,000	108,357,000
4. REPATRIATION	20,000	5,000	60,000						
FIRST YEAR				19,250,000	32,225,000	38,450,000	19,380,000	2,316,000	111,621,000
SECOND YEAR				13,250,000	890,000	5,770,000	480,000	2,316,000	22,706,000
TOTALS				32,500,000	33,115,000	44,220,000	19,860,000	4,632,000	118,324,000

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RESISTANCE RESETTLEMENT COSTS

20-Aug-89
02:26 AM

5,000 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 15,000 SINGLE TROOPS = 60,000 TOTAL (20,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
I N F R A S T R U C T U R E				
ROAD CONSTRUCTION	625,000		25 KM @ \$25,000/KM.	HILLY TERRAIN
BRIDGES	500,000		5 BRIDGES @ \$100,000 EA	BRIDGES AV. 25 M.
ROAD MAINTENANCE EQUIPMENT	285,000		1 BULDOZER, 1 ROAD SCRAPER, 2 DUMP TRUCKS	
FUEL & MAINTENANCE FOR EQUIPMENT	240,000	240,000	\$20,000/MO X 12	
SCHOOL CONSTRUCTION	8,000,000		20 SCHOOLS @ \$400,000	FAMILY OF 9 = 7 CHILDREN
SCHOOL FURNISHINGS/SUPPLIES	450,000		\$5/CHAIR+\$10/STUDENT EA SCHOOL 1,000 SQ M \$400/M	X 5,000 FAMILIES = 35,000 EACH SCHOOL SERVES 1,750 -- 1,000 MORN;750 AFTERNOON
POLICE/ADMINISTRATIVE BUILDINGS	75,000		3 BUILDINGS @ 25,000 EA	
CLINIC CONSTRUCTION	400,000		5 CLINICS @ 80,000 EA	EA CLINIC SERVES 12,000;
CLINIC EQUIPMENT/SUPPLIES	250,000	100,000	@ \$50,000/CLINIC	HAS 200 SQ METERS @ \$400/M
MEDICINES	500,000	500,000	@ \$100,000/CLINIC	EQUIP INC KEROSENE REFRIG
AG EXTENSION OFFICES	160,000		4 OFFICES/100 SQ M @\$400/M	EA OFFICE SERVES 3,750 FARMS
AG SUPPLIES/EQUIP/VET MEDICINES	100,000	100,000	4 X 25,000	
WAREHOUSE	800,000		1,000 SQ M @ 800/M	
HOUSING MATERIALS/TOOLS	35,000,000		\$3,500 x 10,000	1 HOUSE PER FAMILY X 5,000 +
HOUSEHOLD EFFECTS	3,000,000		\$300 PER HOUSE	3 SINGLE TROOPS/HOUSE X 5,000 SIMPLE HOUSE MAKE OWN BRICKS
WATER FACILITIES	2,500,000		100 SMALL SYSTEMS @ \$25,000 EA	
TRUCK IN WATER DURING CONSTRUCTION	200,000		\$50,000/MO X 4 MO	WATER SYS COMPLETED IN 4 MOS
ELECTRICAL PLANT(S)	12,500,000		.5KW/HH x 10,000 X \$2,500/KW	ASSUMES SUITABLE MINI-HYDRO
GRID	3,000,000		\$300/HH x 10,000	ENVIRONMENT
DIESEL FOR GENERATORS	120,000	120,000	10,000/MO X 12	IF MINIHYDRO NOT FEASIBLE
TOTAL INFRASTRUCTURE.....	68,705,000	1,060,000		
P U B L I C S E R V I C E S				
TEACHERS (60)	720,000	720,000	\$1,000/MO x 12 X 60	3 TEACHERS PER SCHOOL
POLICE (25)	300,000	300,000	\$1,000/MO x 12 X 25	1 POLICEMAN PER 1,000 ADULTS
DOCTORS (5)	120,000	120,000	\$2,000/MO x 12 X 5	1 DOCTOR PER CLINIC
NURSES (10)	120,000	120,000	\$1,000/MO x 12 X 10	2 NURSES PER CLINIC
EXTENSION WORKERS (75)	900,000	900,000	\$1,000/MO x 12 X 75	1 WORKER PER 200 FARMS
VETERINARIANS (4)	96,000	96,000	\$2,000/MO x 12 X 4	1 VET PER EXTENSION OFFICE
CREDIT MANAGERS (4)	60,000	60,000	\$1,000/MO x 12 X 4	1 MANAGER PER EXTENSION OFFICE
TOTAL PUBLIC SERVICES.....	2,316,000	2,316,000		ASSUMES PRO PEOPLE AVAILABLE; SOME HELP FRM TRAINED CONTRAS

1-2-89

RESISTANCE RESETTLEMENT COSTS

20-Aug-89
02:26 AM

5,000 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 15,000 SINGLE TROOPS = 60,000 TOTAL (20,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
FOOD AND CLOTHING				
FOOD	13,250,000	13,250,000	\$1,000/FAM X 5,000 + \$550 PER TROOP X 15,000	CURRENT RATES OF FOOD COSTS + ONLY SLIGHT INFLATION
CLOTHING	9,000,000		\$150/SET X 60,000	
TOTAL FOOD AND CLOTHING.....	22,250,000	13,250,000		
TRANSPORTATION COSTS				
VEHICLES	900,000		20 JEEPS @\$20,000 + 10 TRUCKS @ \$50,000	
FUEL + MAINTENANCE	480,000	480,000	\$40,000/MO X 12	
TRANSPORT OF PERSONNEL TO SITE	1,500,000		AV \$25/PERSON X 45,000	
TRANSPORT OF MATERIALS TO SITE	3,000,000		\$250,000/MO X 12	
TOTAL TRANSPORTATION COSTS.....	5,880,000	480,000		
VOCATIONAL NEEDS				
FARMERS (15,000)				
DRAFT ANIMALS	6,000,000		2 OXEN @ \$200 EA X 15,000	THAT 30,000 DRAFT ANIMALS ARE AVAILABLE
SEEDS & FERTILIZER	750,000	750,000	\$50 X 15,000	
FARMING IMPLEMENTS	3,000,000		\$200 X 15,000	
LAND	15,000,000		1 HA EA @ \$1,000/HA X 15,000	AT LEAST ARABLE/MOD FERTILE
CREDIT	3,000,000	3,000,000	\$200/FARMER X 15,000	
TOTAL FOR FARMERS.....	27,750,000	3,750,000		
ENTREPRENEURS (3,000)				
OFFICE/SHOP BLDG MATERIALS/TOOLS	3,000,000		\$1,000 X 3,000	
STARTUP CAPITAL	3,000,000		\$1,000 X 3,000	
WORKING CAPITAL	1,800,000	1,800,000	\$600 X 3,000	
TOTAL FOR ENTREPRENEURS.....	7,800,000	1,800,000		
TECHNICAL/PROFESSIONAL (2,000)				
OFFICE/SHOP BLDG MATERIALS/TOOLS	2,000,000		\$1,000 X 2,000	
OFFICE SUPPLIES/PRO BOOKS/EQUIP	1,600,000	640,000	\$800 X 2,000	
TOTAL TECH/PRO.....	3,600,000	640,000		
TOTAL VOCATIONAL NEEDS.....	39,150,000	6,190,000		
TOTAL PROGRAM.....	138,301,000	23,296,000		

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MIXED: RESISTANCE REPATRIATION COSTS

20-Aug-89
02:26 AM

750 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 2,250 SINGLE TROOPS = 9,000 TOTAL (3,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
I N F R A S T R U C T U R E				
ROAD CONSTRUCTION	---			ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
BRIDGES	---			
ROAD MAINTENANCE EQUIPMENT	285,000		1 BULDOZER, 1 ROAD SCRAPER, 2 DUMP TRUCKS	
FUEL & MAINTENANCE FOR EQUIPMENT	240,000	240,000	\$20,000/MO X 12	
SCHOOL CONSTRUCTION				FAMILY OF 9 = 7 CHILDREN X 750 FAMILIES = 5,250 ASSUMES 4 SCHOOLS ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
SCHOOL FURNISHINGS/SUPPLIES	132,500		\$5/CHAIR+\$10/STUDENT	
POLICE/ADMINISTRATIVE BUILDINGS	---			
CLINIC CONSTRUCTION	---		1 CLINIC	ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE EQUIP INC KEROSINE REFRIG
CLINIC EQUIPMENT/SUPPLIES	50,000	10,000	@ \$50,000/CLINIC	
MEDICINES	100,000	100,000	@ \$100,000/CLINIC	
AG EXTENSION OFFICES	---		1 OFFICE	ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
AG SUPPLIES/EQUIP/VET MEDICINES WAREHOUSE	25,000	25,000		
HOUSING MATERIALS/TOOLS	7,000,000			1 HOUSE PER FAMILY X 750 + 1,250 FOR SINGLE TROOPS = 2,000 ASSUMES 1,000 RETURN HOME
HOUSEHOLD EFFECTS	600,000			
WATER FACILITIES	---			ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
TRUCK IN WATER DURING CONSTRUCTION	---			
ELECTRICAL PLANT(S)	---			ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
GRID	---			
DIESEL FOR GENERATORS	---	---		
TOTAL INFRASTRUCTURE.....	8,432,500	375,000		
P U B L I C S E R V I C E S				
TEACHERS (12)	144,000	144,000	\$1,000/MO x 12 X 12	GRANT TO HOST COUNTRY FOR SERVICES LISTED BELOW: 3 TEACHERS PER SCHOOL 1 POLICEMAN PER 1,000 ADULTS 1 DOCTOR PER CLINIC 2 NURSES PER CLINIC 1 WORKER PER 200 FARMS 1 VET PER EXTENSION OFFICE 1 MANAGER PER EXTENSION OFFICE ASSUMES PRO PEOPLE AVAILABLE; SOME HELP FRM TRAINED CONTRAS
POLICE (4)	48,000	48,000	\$1,000/MO x 12 X 4	
DOCTORS (1)	24,000	24,000	\$2,000/MO x 12 X 1	
NURSES (2)	24,000	24,000	\$1,000/MO x 12 X 2	
EXTENSION WORKERS (12)	144,000	144,000	\$1,000/MO x 12 X 12	
VETERINARIANS (1)	24,000	24,000	\$2,000/MO x 12 X 1	
CREDIT MANAGERS (1)	15,000	15,000	\$1,000/MO x 12 X 1	
TOTAL PUBLIC SERVICES.....	423,000	423,000		

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MIXED : RESISTANCE REPATRIATION COSTS

20-Aug-89
02:26 AM

750 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 2,250 SINGLE TROOPS = 9,000 TOTAL (3,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
FOOD AND CLOTHING				
FOOD	1,987,500	1,987,500	\$1,000/FAM X 750 + \$550 PER TROOP X 2,250	CURRENT RATES OF FOOD COSTS + ONLY SLIGHT INFLATION
CLOTHING	1,350,000		\$150/SET X 9,000	
TOTAL FOOD AND CLOTHING.....	3,337,500	1,987,500		
TRANSPORTATION COSTS				
VEHICLES	200,000		5 JEEPS @\$20,000 + 2 TRUCKS @ \$50,000	
FUEL + MAINTENANCE	12,000	12,000	\$1,000/MO x 12	
TRANSPORT OF PERSONNEL TO SITE	900,000		AV \$100/PERSON x 9,000	
TRANSPORT OF MATERIALS TO SITE	1,800,000		AV \$200/PERSON x 9,000	
TOTAL TRANSPORTATION COSTS.....	2,912,000	12,000		
VOCATIONAL NEEDS				
FARMERS (2,500)				
DRAFT ANIMALS	1,000,000		2 OXEN @ \$200 EA X 5,000	THAT 5,000 DRAFT ANIMALS ARE AVAILABLE
SEEDS & FERTILIZER	125,000	125,000	\$50 X 2,500	
FARMING IMPLEMENTS	500,000		\$200 X 2,500	
LAND	2,500,000		1 HA EA @ \$1,000/HA X 2,500	AT LEAST ARABLE/MOD FERTILE
CREDIT	500,000	3,000,000	\$200/FARMER X 2,500	
TOTAL FOR FARMERS.....	4,625,000	3,125,000		
ENTREPRENEURS (300)				
OFFICE/SHOP BLDG MATERIALS/TOOLS	300,000		\$1,000 X 300	
STARTUP CAPITAL	300,000		\$1,000 X 300	
WORKING CAPITAL	180,000	180,000	\$600 X 300	
TOTAL FOR ENTREPRENEURS.....	780,000	180,000		
TECHNICAL/PROFESSIONAL (200)				
OFFICE/SHOP BLDG MATERIALS/TOOLS	200,000		\$1,000 X 200	
OFFICE SUPPLIES/PRO BOOKS/EQUIP	160,000	64,000	\$800 X 200	
TOTAL TECH/PRO.....	360,000	64,000		
TOTAL VOCATIONAL NEEDS.....	5,765,000	3,369,000		
TOTAL PROGRAM.....	20,870,000	6,166,500		

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M I X E D:

R E S I S T A N C E R E L O C A T I O N C O S T S

20-Aug-89
02:26 AM

500 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 1,500 SINGLE TROOPS = 6,000 TOTAL (2,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
I N F R A S T R U C T U R E				
ROAD CONSTRUCTION	---			ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
BRIDGES	---			
ROAD MAINTENANCE EQUIPMENT	285,000		1 BULDOZER, 1 ROAD SCRAPER, 2 DUMP TRUCKS	
FUEL & MAINTENANCE FOR EQUIPMENT	240,000	240,000	\$20,000/MO X 12	
SCHOOL CONSTRUCTION				FAMILY OF 9 = 7 CHILDREN X 500 FAMILIES = 3,500
SCHOOL FURNISHINGS/SUPPLIES	95,000		\$5/CHAIR+\$10/STUDENT	ASSUMES 3 SCHOOLS ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
POLICE/ADMINISTRATIVE BUILDINGS	---			
CLINIC CONSTRUCTION	---		1 CLINIC	ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
CLINIC EQUIPMENT/SUPPLIES	50,000	10,000	@ \$50,000/CLINIC	EQUIP INC KEROSINE REFRIG
MEDICINES	100,000	100,000	@ \$100,000/CLINIC	
AG EXTENSION OFFICES	---		1 OFFICE	ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
AG SUPPLIES/EQUIP/VET MEDICINES	25,000	25,000		
WAREHOUSE	---			
HOUSING MATERIALS/TOOLS	7,000,000			1 HOUSE PER FAMILY X 500 +
HOUSEHOLD EFFECTS	600,000			1,500 FOR SINGLE TROOPS = 2,000
WATER FACILITIES	---			
TRUCK IN WATER DURING CONSTRUCTION	---			ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
ELECTRICAL PLANT(S)	---			
GRID	---			ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
DIESEL FOR GENERATORS	---	---		
TOTAL INFRASTRUCTURE.....	8,395,000	375,000		
P U B L I C S E R V I C E S				
TEACHERS (9)	108,000	108,000	\$1,000/MO x 12 X 9	GRANT TO HOST COUNTRY FOR SERVICES LISTED BELOW:
POLICE (3)	36,000	36,000	\$1,000/MO x 12 X 3	3 TEACHERS PER SCHOOL
DOCTORS (1)	24,000	24,000	\$2,000/MO x 12 X 1	1 POLICEMAN PER 1,000 ADULTS
NURSES (2)	24,000	24,000	\$1,000/MO x 12 X 2	1 DOCTOR PER CLINIC
EXTENSION WORKERS (8)	96,000	96,000	\$1,000/MO x 12 X 8	2 NURSES PER CLINIC
VETERINARIANS (1)	24,000	24,000	\$2,000/MO x 12 X 1	1 WORKER PER 200 FARMS
CREDIT MANAGERS (1)	15,000	15,000	\$1,000/MO x 12 X 1	1 VET PER EXTENSION OFFICE
TOTAL PUBLIC SERVICES.....	327,000	327,000		1 MANAGER PER EXTENSION OFFICE ASSUMES PRO PEOPLE AVAILABLE; SOME HELP FRM TRAINED CONTRAS

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M I X E D:

R E S I S T A N C E R E L O C A T I O N C O S T S

20-Aug-89
02:26 AM

500 FAMILIES, AV SIZE 9 (1 TROOP. + 8 DEPENDENTS) AND 1,500 SINGLE TROOPS = 6,000 TOTAL (2,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
FOOD AND CLOTHING				
FOOD	1,325,000	1,325,000	\$1,000/FAM X 500 + \$550 PER TROOP X 1,500	CURRENT RATES OF FOOD COSTS + ONLY SLIGHT INFLATION
CLOTHING	900,000		\$150/SET X 6,000	
TOTAL FOOD AND CLOTHING.....	2,225,000	1,325,000		
T R A N S P O R T A T I O N C O S T S				
VEHICLES	200,000		5 JEEPS @\$20,000 + 2 TRUCKS @ \$50,000	
FUEL + MAINTENANCE	12,000	12,000	\$1,000/MO x 12	
TRANSPORT OF PERSONNEL TO SITE	600,000		AV \$100/PERSON x 6,000	
TRANSPORT OF MATERIALS TO SITE	1,200,000		AV \$200/PERSON x 6,000	
TOTAL TRANSPORTATION COSTS.....	2,012,000	12,000		
V O C A T I O N A L N E E D S				
FARMERS (1,500)				
DRAFT ANIMALS	600,000		2 OXEN @ \$200 EA X 3,000	THAT 3,000 DRAFT ANIMALS ARE AVAILABLE
SEEDS & FERTILIZER	75,000	75,000	\$50 X 1,500	
FARMING IMPLEMENTS	300,000		\$200 X 1,500	
LAND	1,500,000		1 HA EA @ \$1,000/HA X 1,500	AT LEAST ARABLE/MOD FERTILE
CREDIT	300,000	3,000,000	\$200/FARMER X 1,500	
TOTAL FOR FARMERS.....	2,775,000	3,075,000		
ENTREPRENUERS (300)				
OFFICE/SHOP BLDG MATERIALS/TOOLS	300,000		\$1,000 X 300	
STARTUP CAPITAL	300,000		\$1,000 X 300	
WORKING CAPITAL	180,000	180,000	\$600 X 300	
TOTAL FOR ENTREPRENUERS.....	780,000	180,000		
TECHNICAL/PROFESSIONAL (200)				
OFFICE/SHOP BLDG MATERIALS/TOOLS	200,000		\$1,000 X 200	
OFFICE SUPPLIES/PRO BOOKS/EQUIP	160,000	64,000	\$800 X 200	
TOTAL TECH/PRO.....	360,000	64,000		
TOTAL VOCATIONAL NEEDS.....	3,915,000	3,319,000		
TOTAL F.....	16,874,000	5,358,000		

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M I X E D: R E S I S T A N C E R E S E T T L E M E N T C O S T S

20-Aug-89
02:26 AM

3,750 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 11,250 SINGLE TROOPS = 45,000 TOTAL (15,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
I N F R A S T R U C T U R E				
ROAD CONSTRUCTION	625,000		25 KM @ \$25,000/KM.	HILLY TERRAIN
BRIDGES	500,000		5 BRIDGES @ \$100,000 EA	BRIDGES AV. 25 M.
ROAD MAINTENANCE EQUIPMENT	285,000		1 BULDOZER, 1 ROAD SCRAPER, 2 DUMP TRUCKS	
FUEL & MAINTENANCE FOR EQUIPMENT	240,000	240,000	\$20,000/MO X 12	
SCHOOL CONSTRUCTION	6,000,000		15 SCHOOLS @ \$400,000	FAMILY OF 9 = 7 CHILDREN
SCHOOL FURNISHINGS/SUPPLIES	337,500		\$5/CHAIR+\$10/STUDENT	X 3,750 FAMILIES = 26,250
			EA SCHOOL 1,000 SQ M \$400/M	EACH SCHOOL SERVES 1,750 --
				1,000 MORN;750 AFTERNOON
POLICE/ADMINISTRATIVE BUILDINGS	75,000		3 BUILDINGS @ 25,000 EA	
CLINIC CONSTRUCTION	320,000		4 CLINICS @ 80,000 EA	EA CLINIC SERVES 11,250;
CLINIC EQUIPMENT/SUPPLIES	200,000	100,000	@ \$50,000/CLINIC	HAS 200 SQ METERS @\$400/M
MEDICINES	400,000	400,000	@ \$100,000/CLINIC	EQUIP INC KEROSENE REFRIG
AG EXTENSION OFFICES	120,000		3 OFFICES/100 SQ M @\$400/M	EA OFFICE SERVES 2,750 FARMS
AG SUPPLIES/EQUIP/VET MEDICINES	75,000	75,000	4 X 25,000	
WAREHOUSE	800,000		1,000 SQ M @ 800/M	
HOUSING MATERIALS/TOOLS	26,250,000		\$3,500 x 7,500	1 HOUSE PER FAMILY X 3,750 +
HOUSEHOLD EFFECTS	2,250,000		\$300 PER HOUSE	3 SINGLE TROOPS/HOUSE X 3,750
				SIMPLE HOUSE MAKE OWN BRICKS
WATER FACILITIES	1,875,000		75 SMALL SYSTEMS @ \$25,000 EA	
TRUCK IN WATER DURING CONSTRUCTION	200,000		\$50,000/MO X 4 MO	WATER SYS COMPLETED IN 4 MOS
ELECTRICAL PLANT(S)	9,375,000		.5KW/HH x 7,500 X \$2,500/KW	ASSUMES SUITABLE MINI-HYDRO
GRID	2,250,000		\$300/HH x 7,500	ENVIRONMENT
DIESEL FOR GENERATORS	120,000	120,000	10,000/MO X 12	IF MINIHYDRO NOT FEASIBLE
TOTAL INFRASTRUCTURE.....	52,297,500	935,000		
P U B L I C S E R V I C E S				
TEACHERS (45)	540,000	540,000	\$1,000/MO x 12 X 45	3 TEACHERS PER SCHOOL
POLICE (19)	228,000	228,000	\$1,000/MO x 12 X 19	1 POLICEMAN PER 1,000 ADULTS
DOCTORS (4)	96,000	96,000	\$2,000/MO x 12 X 4	1 DOCTOR PER CLINIC
NURSES (8)	96,000	96,000	\$1,000/MO x 12 X 10	2 NURSES PER CLINIC
EXTENSION WORKERS (56)	672,000	672,000	\$1,000/MO x 12 X 56	1 WORKER PER 200 FARMS
VETERINARIANS (3)	72,000	72,000	\$2,000/MO x 12 X 3	1 VET PER EXTENSION OFFICE
CREDIT MANAGERS (3)	45,000	45,000	\$1,000/MO x 12 X 3	1 MANAGER PER EXTENSION OFFICE
TOTAL PUBLIC SERVICES.....	1,749,000	1,749,000		ASSUMES PRO PEOPLE AVAILABLE; SOME HELP FRM TRAINED CONTRAS

MIXED: RESISTANCE RESETTLEMENT COSTS

20-Aug-89
02:26 AM

3,750 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 11,250 SINGLE TROOPS = 45,000 TOTAL (15,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
FOOD AND CLOTHING				
FOOD	9,937,500	9,937,500	\$1,000/FAM X 3,750 + \$550 PER TROOP X 11,250	CURRENT RATES OF FOOD COSTS + ONLY SLIGHT INFLATION
CLOTHING	6,750,000		\$150/SET X 45,000	
TOTAL FOOD AND CLOTHING.....	16,687,500	9,937,500		
TRANSPORTATION COSTS				
VEHICLES	900,000		20 JEEPS @\$20,000 + 10 TRUCKS @ \$50,000	
FUEL + MAINTENANCE	480,000	480,000	\$40,000/MO X 12	
TRANSPORT OF PERSONNEL TO SITE	1,125,000		AV \$25/PERSON X 45,000	
TRANSPORT OF MATERIALS TO SITE	2,400,000		\$200,000/MO X 12	
TOTAL TRANSPORTATION COSTS.....	4,905,000	480,000		
VOCATIONAL NEEDS				
FARMERS (11,000)				
DRAFT ANIMALS	4,400,000		2 OXEN @ \$200 EA X 11,000	THAT 22,000 DRAFT ANIMALS ARE AVAILABLE
SEEDS & FERTILIZER	550,000	550,000	\$50 X 11,000	
FARMING IMPLEMENTS	2,200,000		\$200 X 11,000	
LAND	11,000,000		1 HA EA @ \$1,000/HA X 11,000	AT LEAST ARABLE/MOD FERTILE
CREDIT	2,200,000	3,000,000	\$200/FARMER X 11,000	
TOTAL FOR FARMERS.....	20,350,000	3,550,000		
ENTREPRENEURS (2,500)				
OFFICE/SHOP BLDG MATERIALS/TOOLS	2,500,000		\$1,000 X 2,500	
STARTUP CAPITAL	2,500,000		\$1,000 X 2,500	
WORKING CAPITAL	1,500,000	1,500,000	\$600 X 2,500	
TOTAL FOR ENTREPRENEURS.....	6,500,000	1,500,000		
TECHNICAL/PROFESSIONAL (1,500)				
OFFICE/SHOP BLDG MATERIALS/TOOLS	1,500,000		\$1,000 X 1,500	
OFFICE SUPPLIES/PRO BOOKS/EQUIP	1,200,000	480,000	\$800 X 1,500	
TOTAL TECH/PRO.....	2,700,000	480,000		
TOTAL VOCATIONAL NEEDS.....	29,550,000	5,530,000		
TOTAL PROJECT.....	105,189,000	18,631,500		

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RESISTANCE REFUGEE COSTS

20-Aug-89
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5,000 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 15,000 SINGLE TROOPS = 60,000 TOTAL (20,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
I N F R A S T R U C T U R E				
ROAD CONSTRUCTION	625,000		25 KM @ \$25,000/KM.	HILLY TERRAIN
BRIDGES	500,000		5 BRIDGES @ \$100,000 EA	BRIDGES AV. 25 M.
ROAD MAINTENANCE EQUIPMENT	285,000		1 BULDOZER, 1 ROAD SCRAPER, 2 DUMP TRUCKS	
FUEL & MAINTENANCE FOR EQUIPMENT	240,000	240,000	\$20,000/MO X 12	
SCHOOL CONSTRUCTION	6,000,000		10 SCHOOLS @ \$1,000,000	FAMILY OF 9 = 7 CHILDREN
SCHOOL FURNISHINGS/SUPPLIES	450,000		\$5/CHAIR+\$10/STUDENT EA SCHOOL 2,000 SQ M \$400/M	X 5,000 FAMILIES = 35,000 EACH SCHOOL SERVES 3,500 -- 2,000 MORN;1,500 AFTERNOON
ADMINISTRATIVE BUILDINGS	75,000		3 BUILDINGS @ 25,000 EA	
CLINIC CONSTRUCTION	360,000		3 CLINICS @ 120,000 EA	EA CLINIC SERVES 12,000;
CLINIC EQUIPMENT/SUPPLIES	225,000	100,000	@ \$75,000/CLINIC	HAS 200 SQ METERS @\$400/M
MEDICINES	450,000	450,000	@ \$150,000/CLINIC	EQUIP INC KEROSENE REFRIG
AG EXTENSION OFFICES	---	---	---	---
AG SUPPLIES/EQUIP/VET MEDICINES	---	---	---	---
WAREHOUSE	---	---	---	---
HOUSING MATERIALS/TOOLS	35,000,000		\$3,500 x 10,000	1 HOUSE PER FAMILY X 5,000 +
HOUSEHOLD EFFECTS	3,000,000		\$300 PER HOUSE	3 SINGLE TROOPS/HOUSE X 5,000 SIMPLE HOUSE MAKE OWN BRICKS
WATER FACILITIES	1,000,000		ONE SYSTEM	
TRUCK IN WATER DURING CONSTRUCTION	200,000		\$50,000/MO X 4 MO	WATER SYS COMPLETED IN 4 MOS
ELECTRICAL PLANT(S)	200,000		GENERATORS FOR CLINICS,SCHOOLS, SHOPS ONLY	
GRID	3,000		\$300 X 10	
DIESEL FOR GENERATOR	12,000	12,000	1,000/MO X 12	
PUBLIC BUILDINGS				
PUBLIC LATRINES/SHOWERS	300,000		20 @ 15,000 EA	EA LATRINE SERVES 3,000 PEOPLE
PUBLIC LAUNDRY	20,000		ONE LARGE LAUNDRY	
WORKSHOPS	100,000		10 @ 10,000 EA	FOR REPAIR AND PRODUCTION MAY ALSO BE USED FOR TRAINING
TOTAL INFRASTRUCTURE.....	49,045,000	802,000		

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RESISTANCE REFUGEE COSTS

20-Aug-89
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5,000 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 15,000 SINGLE TROOPS = 60,000 TOTAL (20,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
PUBLIC SERVICES				
TEACHERS (60)	720,000	720,000	\$1,000/MO x 12 X 60	6 TEACHERS PER SCHOOL
POLICE (25)	300,000	300,000	\$1,000/MO x 12 X 25	1 POLICEMAN PER 1,000 ADULTS
DOCTORS (3)	72,000	72,000	\$2,000/MO x 12 X 3	1 DOCTOR PER CLINIC
NURSES (9)	108,000	108,000	\$1,000/MO x 12 X 9	3 NURSES PER CLINIC
EXTENSION WORKERS	---	---	---	---
VETERINARIANS (4)	---	---	---	NO FARMING IN CAMP
CREDIT MANAGERS (4)	---	---	---	---
TOTAL PUBLIC SERVICES.....	1,200,000	1,200,000		ASSUMES PRO PEOPLE AVAILABLE; SOME HELP FRM TRAINED CONTRAS
FOOD AND CLOTHING				
FOOD	13,250,000	13,250,000	\$1,000/FAM X 5,000 + \$550 PER TROOP X 15,000	CURRENT RATES OF FOOD COSTS + ONLY SLIGHT INFLATION
CLOTHING	9,000,000	9,000,000	\$150/SET X 60,000	
TOTAL FOOD AND CLOTHING.....	22,250,000	22,250,000		
TRANSPORTATION COSTS				
VEHICLES	900,000		20 JEEPS @\$20,000 + 10 TRUCKS @ \$50,000	
FUEL + MAINTENANCE	480,000	480,000	\$40,000/MO x 12	
TRANSPORT OF PERSONNEL TO SITE	1,500,000		AV \$25/PERSON x 45,000	
TRANSPORT OF MATERIALS TO SITE	3,000,000		\$250,000/MO x 12	
TOTAL TRANSPORTATION COSTS.....	5,880,000	480,000		
VOCATIONAL NEEDS				
FARMERS (0)				NO FARMING IN CAMP
ENTREPRENUERS (0)				NO PRIVATE BUSINESSES IN CAMP
TECHNICAL/PROFESSIONAL (15,000)				
SHOP SUPPLIES/PRO BOOKS	3,750,000	1,500,000	\$250 x 15,000	
TOTAL TECH/PRO.....	3,750,000	1,500,000		
TOTAL VOCATIONAL NEEDS.....	3,750,000	1,500,000		
TOTAL PROGRAM.....	82,125,000	26,232,000		

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R E S I S T A N C E R E P A T R I A T I O N C O S T S

20-Aug-89
02:26 AM

5,000 FAMILIES, AV SIZE 9 (1 TROOP + 8 DEPENDENTS) AND 15,000 SINGLE TROOPS = 60,000 TOTAL (20,000 TROOPS)

COST ELEMENT	FIRST YEAR COSTS	SECOND YEAR COSTS	PROGRAMMING BASE	ASSUMPTIONS
I N F R A S T R U C T U R E				
ROAD CONSTRUCTION	---	---		ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
BRIDGES	---	---		
ROAD MAINTENANCE EQUIPMENT	295,000	240,000	1 BULDOZER, 1 ROAD SCRAPER, 2 DUMP TRUCKS	
FUEL & MAINTENANCE FOR EQUIPMENT	240,000	240,000	\$20,000/MO X 12	
SCHOOL CONSTRUCTION				FAMILY OF 9 = 7 CHILDREN X 5,000 FAMILIES = 35,000 ASSUMES 10 SCHOOLS ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
SCHOOL FURNISHINGS/SUPPLIES	450,000 ✓		\$5/CHAIR+\$10/STUDENT	
POLICE/ADMINISTRATIVE BUILDINGS	---	---		
CLINIC CONSTRUCTION	---	---	5 CLINICS	ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
CLINIC EQUIPMENT/SUPPLIES	250,000	50,000	@ \$50,000/CLINIC	IN HOST COUNTRY IS IN PLACE
MEDICINES	500,000	500,000	@ \$100,000/CLINIC	EQUIP INC KEROSENE REFRIG
AG EXTENSION OFFICES	---	---	4 OFFICES	ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
AG SUPPLIES/EQUIP/VET MEDICINES	100,000 ✓	100,000	4 X 25,000	
WAREHOUSE	---	---		
HOUSING MATERIALS/TOOLS	28,000,000 ✓	---	\$3500 X 8,000	1 HOUSE PER FAMILY X \$5,000 + 3,000 SINGLE TROOPS = \$8,000 ASSUMES 2,000 RETURN HOME
HOUSEHOLD EFFECTS	2,400,000 ✓	---		
WATER FACILITIES	---	---		ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
TRUCK IN WATER DURING CONSTRUCTION	---	---		
ELECTRICAL PLANT(S)	---	---		ASSUMES BASIC INFRASTRUCTURE IN HOST COUNTRY IS IN PLACE
GRID	---	---		
DIESEL FOR GENERATORS	---	---		
TOTAL INFRASTRUCTURE.....	32,225,000	890,000		
P U B L I C S E R V I C E S				
TEACHERS (60)	720,000	720,000	\$1,000/MO x 12 X 30	GRANT TO HOST COUNTRY FOR SERVICES LISTED BELOW:
POLICE (25)	300,000	300,000	\$1,000/MO x 12 X 25	3 TEACHERS PER SCHOOL
DOCTORS (5)	120,000	120,000	\$2,000/MO x 12 X 1	1 POLICEMAN PER 1,000 ADULTS
NURSES (10)	120,000	120,000	\$1,000/MO x 12 X 2	1 DOCTOR PER CLINIC
EXTENSION WORKERS (75)	900,000	900,000	\$1,000/MO x 12 X 12	2 NURSES PER CLINIC
VETERINARIANS (4)	96,000	96,000	\$2,000/MO x 12 X 1	1 WORKER PER 200 FARMS
CREDIT MANAGERS (4)	60,000	60,000	\$1,000/MO x 12 X 1	1 VET PER EXTENSION OFFICE 1 MANAGER PER EXTENSION OFFICE
TOTAL PUBLIC SERVICES.....	2,316,000	2,316,000		ASSUMES PRO PEOPLE AVAILABLE; SOME HELP FRM TRAINED CONTRAS

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AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

1. John Loraas 18
2. Melanie Hillhouse

(12)

MEMORANDUM

17 June 1988

TO: TFHA/H, Phil Buechler

FROM: TDY/FFPO, Sam LaFoy

SUBJECT: Review of Rations - Combatants and Families

1. SCOPE OF WORK

The purpose of my TDY was two-fold, as explained to me upon my arrival. The main reason for my services was to study the ration of the combatants. A preliminary analysis done by USAID/Honduras's HRD office showed the ration to be far in excess of minimum daily requirements.

A second purpose was to corroborate reports from the Embassy Refugee Coordinator that there were significant numbers of ERN families, living in UNHCR refugee camps and being fed by World Food Programme (WFP), while simultaneously receiving supplementary family rations from the U.S. Government.

A third task given me was to look at a prepared food being offered by a Texas-Costa Rican company (Exitex), to see whether it was a cost-effective alternative to the current ration.

2. COMBATANT RATIONS

Background

From information provided to the Task Force by the Centro de Suministros of the ERN, the daily amount provided to the combatants consists of a basic ration of about sixteen items, weighing approximately 3.3 lbs. This basic ration is complemented with another nine or ten food items, mostly fruit and vegetables, but also bread and candy. This ration has been standard except for a period in February and March of 1988 when, due to a limited budget, the ration was cut (from 8 to 6 ozs. each of rice and beans per man, for instance). However, once funds were again made available, the rations were restored to their original level.

Analysis of the Ration

In analyzing the rations, a couple of assumptions were made. First, the numbers of combatants and consequent ration levels provided by the ERN were presumed to reflect the numbers of people they actually plan to feed. Second, these calculations do not take into account an increase in combatants who have crossed into Honduras since the A.I.D. program

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started. The Task Force presumes that this influx is temporary, and will stabilize and eventually fall as other elements of the assistance program are fully implemented. However, given the two weeks' delay between troop tally and actual delivery, the ration level is probably not excessive until the numbers do level off. These calculations, therefore, are valid only once the troop levels are stabilized and/or the time between troop tally and delivery is cut significantly.

This analysis of the ration focussed primarily on the 16 basic items for which specific daily ration levels were given. The supplementary items of fruit, vegetables, bread and candy might provide as much as an additional 460 calories of energy and 16 grams of protein.

The 16 items of the basic ration consist of rice, beans, corn, sugar, lard, eggs, potatoes, pinolillo (a cornmeal-based beverage mix), powdered milk, onion, fresh beef, chicken and pork, cheese, flour and oatmeal. The basic ration (see Attachment A) contains 3.3 pounds per man per day, which would provide approximately 4,671 calories and 106 grams of protein, even before adding the supplementary ration. It costs about Lemp.3.63 a day, or \$1.82, at an exchange rate of Lemp.2/\$1.

These ration levels were compared against the recommended daily intake for very active men developed by WHO (3500 Kcals., 49 grams of protein) and by the National Academy of Sciences (3000 Kcals., 56 grams of protein). (See Attachment B.) The commodities were also compared to the typical Nicaraguan diet (per Managua 3220 and Managua 3221).

I also discussed with Dr. Tomas of the ERN the non-nutritional factors which affected the development of the rations. The current ration reflects not only the nutritional needs of the combatants, but also a margin to compensate for a variety of logistical and loss problems. According to Dr. Tomas, deliveries of food are irregular, caused by sometimes inadequate supplies available on the local market, delays in receiving all the commodities (such as one day all vegetables, next day all meat, etc.), delays from distribution point to campsites, sometimes through jungles without roads. In addition, there are losses and spoilage in transit or due to poor storage, especially during the rainy season. Reportedly, some suppliers have occasionally provided poor quality commodities, which take time to be replaced.

Dr. Tomas acknowledged that, except for onions and cabbage, vegetables are easily damaged or spoil quickly and are not critical since the men receive vitamins. He was enthusiastic about the provision of live animals instead of meat for several reasons: storage is no longer a problem; they transport themselves from the distribution sites to the camps; they do not spoil; and each animal provides a variety of cuts and meats

(roasts, steaks and stewmeat, liver, kidneys, etc.). Live animals have been provided to the field by TFHA since May 1988.

Conclusions

(1) Even without considering the supplementary items, the caloric level of the daily ration is 33% higher than the 3500 Kcals. recommended by WHO, and over double the WHO-recommended protein level.

(2) The commodities being provided do not appear to reflect closely the traditional diet of the Nicaraguan, either in proportion of commodities, or in commodities themselves. The combatant's diet is much heavier on meat, for instance, than that indicated in Managua 3220 and 3221.

(3) The number of items in the basic diet alone (16; 17 with the coffee) becomes an administrative burden in the procurement, packaging and delivery process. Some of the commodities are more apt to spoilage or damage, such as eggs, fresh meat and vegetables.

(4) Aside from the sheer size of the ration, the cumbersomeness of the ration variety and potential spoilage, the ration cost could be cut. For instance, if the basic ration is cut across the board to reach 3500 Kcals. (Attachment C), the purchase cost per person per day is still Lemp.2.72, a savings of Lemp.0.91. If the ration is adjusted to reflect a more traditional diet and five items are deleted entirely (eggs, potatoes, pinolillo, cheese and flour) (Attachment D), the purchase cost would only be about Lemp.2.38, a savings per person per day of Lemp.1.25. On a monthly basis, the savings for each 1000 combatants, just for purchase of the food, could come to Lemp.37,500, or \$18,750, at an exchange rate of Lemp.2/\$1.

(5) The nature of this type of operation, buying large quantities of commodities locally, and the difficulties and time involved in getting the foods to ERN combatants in inaccessible areas of the country, does increase both the uncertainty of food deliveries and the potential losses and damages.

Recommendations

From a nutritional and budgetary standpoint, the following recommendations are made:

(1) The ration level should be cut to reflect WHO-recommended caloric levels. Attachments C and D show two alternative methods, either an across-the-board cut, or a more discriminating approach, and the one being recommended.

(2) The ration package should more closely reflect the traditional Nicaraguan diet and, incidentally, a smaller proportion of more expensive commodities.

(3) The ration should be simplified, to the extent possible. For example, the proposed ration in Attachment D has cut out eggs, potatoes, pinolillo, cheese and flour. In the supplementary ration, bread and most of the fresh vegetables could be cut from the ration. If such a suggestion were acceptable to the ERN, the ration could be further simplified by providing only 2 of 3 types of meat per two-week delivery period. For example, one delivery could provide beef and chicken, the next, chicken and pork.

(4) In addition to the basic ration recommended at Attachment D, a reserve percentage should be added to all orders. For those groups either at or near the distribution sites (perhaps 23% of the recipients), the reserve margin should be no more than 5%. For those combatants who have to come in from the surrounding countryside to the distribution sites, a reserve of 15% is recommended. This would come down to a weighted average reserve percentage of roughly 12.7%, rather than the current 33% surplus to basic nutritional requirements. Even after including the reserve margin to the cost of the revised ration, the per month savings for each 1,000 men could be Lemps. 28,500, or \$14,250. With improved implementation of the procurement and logistics system, this reserve margin might be adjusted downward at a later date.

3. FAMILY RATIONS TO INMATES OF REFUGEE CAMPS

Background

The Embassy's Refugee Coordinator first relayed the concern to the Task Force that there was a probability of overlapping rations between those being provided by the Humanitarian Assistance program and those of World Food Programme (WFP) to inmates of UNHCR refugee camps.

In a WFP/UNHCR joint evaluation done last Fall, the team reported having been informed that up to 40% of refugees in El Paraiso Department were being provided other rations every 30-45 days.

The ERN, on request, provided the Task Force with a listing of 604 families (almost 3900 people) they show as residing in refugee camps who are receiving the family assistance supplemental rations. Except for a handful of families, all the families listed were in Los Guasimos camp, just outside of Danli in El Paraiso Department.

This was followed up initially by a visit to Los Guasimos to talk to the UNHCR staff and to spot-check their lists

against the ERN family assistance list. The UNHCR staff confirmed that the WFP ration, augmented by other bilateral donations and produce from their truck gardens, is a complete ration, distributed to all camp residents. As was stated in the evaluation, malnutrition levels are extremely low (less than 1%).

The population of the camp is about 5,500. From data they receive from the Honduran Immigration Service, they estimate that 40% of the inmates are families of ERN combatants. They observe that every 30-45 days significant groups leave the camp to bring back extra food supplies. Since the Honduran army has taken over and tightened up security around the camp, the ERN family inmates try to arrange to have the food brought by truck from Danli and negotiate to let the inmates unload and bring the food into the camp. The UNHCR staff report that this additional food being given to a segment of the camp population creates tensions both within the camp and between neighboring Hondurans and the ERN families, especially since some of the family assistance ration is being sold across the fence. The UNHCR officials have talked to the ERN who said they would eliminate duplication, but ERN families say they have been assured the deliveries would continue; that it is a commitment of the ERN to the families.

We also compared some of their lists against the ERN list. Out of five names, we were able to identify two of the same families, just from the partial camp listing.

This initial visit was followed up by an audit team to compare the lists more methodically. They were able to identify 184 families (approximately 1,200 people) who are in both the UNHCR camp rolls and on the ERN family assistance listing.

Analysis

The UNHCR basic ration was analyzed for calorie and protein values (Attachment E), and found to offer 1,917 calories and 44.3 grams of protein. This was compared to a weighted average family ration, assuming a smaller proportion of adult men, of 2,075 calories and 44 grams of protein. Especially when the fresh vegetables and fruit from the camp's communal truck gardens are considered, the UNHCR ration is quite adequate.

To this can be added the ERN family rations consisting of 8 food items. The per person level of the ration depends upon the size of the family. For instance, for a small family (1-3) the average per person ration is 36.5 lbs. per month. For the largest family groups (16-18), each family member only receives about 9 lbs. per month. Attachment F presents calculations of the daily per person rations, depending on the size of the family, and compares them against the weighted average for a family.

Conclusions

From the reviews, there are at least 1,200 people out of the Los Guasimos refugee camp population of 5,500 receiving food both from WFP and our family assistance deliveries, or 21% of the camp.

Based on both the nutritional status of the camp's population in the WFP/UNHCR evaluation, and analysis of the UNHCR ration, the refugee camp population receives an adequate ration.

The volume of the family assistance ration varies considerably, depending on the size of the registered family. For the larger families, the per person caloric value per day is only 327 calories, which represents only a small supplementation to the UNHCR ration. For the smaller families, the family assistance deliveries can represent as much as 50% more than what is needed.

For these latter families, the excess commodities are more likely to be sold than consumed by the family.

Recommendations

Given the adequacy of the UNHCR ration and the tensions reported to be created by the preferential treatment of the ERN families, I recommend that the overlapping rations be stopped. It would not be administratively possible for the UNHCR rations to be adjusted on a per-family basis. Rather, the ERN family assistance ration should be cut entirely to those within UNHCR camps. The nutritional impact should be slight. For large families, the per person ration is so small as to be only holistic, while for smaller families, the probability of its being sold or traded increases.

4. EXITEX PACKAGED MEALS

Background

Representatives of a Texas-Costa Rican company, Exitex, S.A., Mundial, have been discussing with the Task Force a product which they have developed. They are preparing low-cost, prepackaged meals, which they would like to have considered for ERN combatant rations. The meals consist of processed soya bean protein product manufactured in Texas, mixed in Costa Rica with noodles or rice, dehydrated vegetable flavorings and spices, and packaged in 250-gr. cellophane sacks. Boiled in wafer for 20-30 minutes, each 250-gr. package can feed 3 to 5 people (depending on the type of meal). The meals available are rice marinera, neapolitan elbow macaroni and beef-flavored noodle soup.

The price per serving varies from \$.25 for rice marinera to \$.10 for beef noodle soup. These prices compare well with the prices of an estimated per serving portion of the rice and meats in the recommended ration (Attachment D).

Looking at the rice marinera as an example, one 250-gr. package could replace over 400 grams of the rice, meat and cheese currently being delivered per person per day, and still provide more energy and protein than the rice, meats and cheese. The price would be slightly higher (\$.75 versus \$.66), but the saved weight and space (over 150 grams per person per day) would lower transport costs and losses/damages in transit, especially for off-road camps.

The prepackaged food could be used to replace the rice and meat portions of the current ration. It has a shelf-life of 6-12 months. The soya bean protein product is much lighter than the meat it would be replacing.

Recommendation

If the Exitex preparations are found to be acceptable to the ERN, the Task Force should consider providing these products as partial replacement of the current combatant ration. These would be especially useful in cases of air drop, or where the rations are being back-packed.

Attachments: a/s

CURRENT COMBATANT RATIONPER PERSON PER DAY

<u>COMMODITY</u>	<u>OZS.</u>	<u>GRS.</u>	<u>KCALS.</u>	<u>PROT.</u>	<u>LEMPS.</u>	<u>DOLS.</u>
<u>Basic Ration</u>						
Rice	8.0	226.8	247.2	4.5	.32	.16
Beans	8.0	226.8	267.6	17.7	.72	.36
Corn	10.0	283.5	1,010.8	25.6	.10	.05
Sugar	6.0	170.1	649.8	0	.18	.09
Lard	6.0	170.1	1,504.0	0	.48	.24
Eggs	.5	25.0	40.0	3.0	.10	.05
Potatoes	1.5	42.52	30.0	1.0	.05	.02
Pinolillo	1.5	42.52	148.5	3.8	.09	.04
Milk	1.0	28.35	62.0	10.0	.21	.10
Onion	1.0	28.35	8.2	.3	.04	.02
Beef	1.78	50.46	113.5	9.8	.34	.17
Chicken	1.42	40.25	66.8	12.7	.17	.08
Pork	1.6	45.36	232.0	4.6	.30	.15
Cheese	1.5	42.52	157.3	9.4	.21	.10
Flour	1.07	30.33	110.4	3.2	.03	.01
Oatmeal	1.5	42.52	23.4	.9	.09	.04
Total	52.37	1,495.5	4,671.5	106.5	3.63	1.82
<u>Supplemental Ration</u>						
Tomato (1)			40.0	2.0		
Cabbage (1 cup shredded)			15.0	1.0		
Tomato sauce (1 Tbsp)			15.0	0		
Bananas (1)			100.0	1.0		
Squash (1 serving)			30.0	2.0		
Sardines (1 oz)			58.0	6.7		
Bread (1 slice)			70.0	2.0		
Carrot (1)			20.0	1.0		
Candy (1 oz)			115.0	1.0		
Total - suppl.			463	16.7		
Grand Total			5,134.5	123.2		

Table III.1 Recommended Daily Intakes for Healthy Individuals

Program	Energy (Kcalories)		Protein (g)		Vitamin A (mg RE)		Iron (mg)	
	a	b	a	b	a	b	a	b
<u>MCH/Other Child Feeding</u>								
0-6 months	700	690	18	13				
6-12 months	880	945	18	18	300	420	5-10	10
1-3 years	1250	1300	21	23	300	400	5-10	15
4-6 years	1750	1700	26	30	250	400	5-10	15
Pregnancy					300	500	5-10	10
(latter half)	2550	2600	49	74				
Lactation	2750	2800	60	64	750	1000	28	30-60
Recuperation/ Malnut. in children under 5	250	250			1200	1200	28	18
<u>School Feeding/Other Child Feeding</u>								
7-9 years	2190	2400	29	34	400	700	10	10
10-15 years, girls	2450	2200	40	45	650	800	17	18
10-15 years, boys	2800	2700	46	56	650	1000	14	10
<u>Food for Work</u>								
Moderately active women								
	2200	2300	39	44	750	800	28	18
Very active women								
	2600	2300	39	44	750	800	28	18
Moderately active, men								
	3000	3000	49	56	750	1000	9	10
Very active men								
	3500	3000	49	56	750	1000	9	10
Per person weighted ave. for all family								
	2350c							
<u>Emergency</u>								
Adequate food supplies								
	2350c							
Scarce food supplies								
-Temporary maintenance								
	1800c							
-Minimum								
	1500c							
Partial ration to supplement local staple								
	980c							

^a For children 0-6 years of age: Adapted from "1983 UN Expert Group Guidelines" (FAO/WHO/UNU). For other groups: "Handbook on Human Nutritional Requirements" (WHO, 1974) Protein allowances considers the predominantly vegetable sources of food in developing countries.

^b "Recommended Dietary Allowances," National Academy of Sciences, Washington, DC, 80. Based on diets normally consumed in the United States.

^c Approximately 10 to 15 percent of calories should come from high quality protein, and 25 to 30 percent of calories should come from fats and oil. If the commodities are only a partial supplement, the ration should contain a higher density of protein, fats and oil, and other nutrients.

CURRENT COMBATANT RATION
CUT BY 25%

PER PERSON PER DAY

<u>COMMODITY</u>	<u>OZS.</u>	<u>GRS.</u>	<u>KCAL.</u>	<u>PROT.</u>	<u>LEMPS.</u>	<u>DOLS.</u>
Rice	6.0	170.1	185.4	3.4	.24	.12
Beans	6.0	170.1	200.7	13.3	.54	.27
Corn	7.5	212.6	758.1	19.2	.08	.04
Sugar	4.5	127.6	487.4	0	.14	.07
Lard	4.5	127.6	1,128.0	0	.36	.18
Eggs	.4	18.8	30.0	2.3	.08	.04
Potatoes	1.1	31.9	22.5	.7	.04	.02
Pinolillo	1.1	31.9	111.4	2.9	.07	.03
Milk	.8	21.2	46.5	7.5	.16	.08
Onion	.8	21.2	6.2	.2	.03	.01
Beef	1.34	37.8	85.1	7.4	.26	.13
Chicken	1.07	30.2	50.1	9.5	.13	.06
Pork	1.2	34.0	174.0	3.5	.20	.10
Cheese	1.1	31.9	117.9	7.1	.16	.08
Flour	.8	22.8	82.8	2.4	.02	.01
Oatmeal	1.1	31.9	17.6	.7	.07	.03
Total	39.28	1,121.6	3,503.6	79.9	2.72	1.37

RECOMMENDED COMBATANT RATIONPER PERSON PER DAY

<u>COMMODITY</u>	<u>OZS.</u>	<u>GRS.</u>	<u>KCAL.</u>	<u>PROT.</u>	<u>LEMP.</u>	<u>DOLS.</u>
Rice	8.0	226.8	247.2	4.5	.32	.16
Beans	8.0	226.8	267.6	17.7	.72	.36
Corn	10.0	283.5	1,010.8	25.6	.10	.05
Sugar	6.0	170.1	654.0	0	.18	.09
Lard	4.0	113.4	1,001.7	0	.32	.16
Eggs	0	0	0	0	0	0
Potatoes	0	0	0	0	0	0
Pinolillo	0	0	0	0	0	0
Milk	1.0	28.35	62.0	10.0	.21	.10
Onion	1.0	28.35	8.2	0.3	.04	.02
Beef	.89	25.23	56.75	4.9	.17	.08
Chicken	.71	20.13	33.4	6.4	.09	.04
Pork	.8	22.68	116.34	2.3	.14	.07
Cheese	0	0	0	0	0	0
Flour	0	0	0	0	0	0
Oatmeal	1.5	42.52	23.4	.9	.09	.04
Total	42.7	1,187.9	3,481.4	72.6	2.38	1.19
Supplementary:						
Tomatoes	0		0	0		
Cabbage (3 cups)			45	3		
Ketchup			15	0		
Bananas	0		0	0		
Squash	0		0	0		
Sardines			58	6.7		
Bread	0		0	0		
Carrot (1)			20	1.0		
Caramels			115	1.0		
Total			253	11.7		
Grand Total			3,734.4	84.3		

Changes made to current ration:

- Eliminated: Eggs, potatoes, pinolillo, cheese and flour
- Cut by one-third: lard
- Cut by one-half: beef, chicken and pork

UNHCR RATION
NUTRITIONAL VALUE

<u>COMMODITY</u>	<u>Grams</u>	<u>Kcals.</u>	<u>Prot.</u>
Corn	320	1,141.1	28.5
Rice	80	87.2	1.6
Beans	65	76.7	5.1
Vegoil	30	265.2	0
Canned fish	12.5	25.7	2.9
Salt	15	0	0
Sugar	50	192.5	0
Vegetables*	100	30	3
Meat/eggs**	30	84.0	5.6
Slaked lime			
Coffee	10	0.1	0
Rolled Oats	30	15.0	0.6
	<hr/>	<hr/>	<hr/>
	742.5	1,917.5	44.3

*30 Kcals./100 gr., 3 gr./100 gr.
**280 Kcals./100 gr., 18.7 gr./100 gr.

CALCULATION OF OVERLAPPING RATIONSFAMILY ASSISTANCE

Members per Family	Daily Ration Level	Family Assistance		+	UNHCR Ration		=	Combined Nutrit. Value		Percentage of weighted daily requirements	
		Kcals.	Prot.		Kcals.	Prot.		Kcals.	Prot.	Kcals.	Prot.
1-3	520gr.	1,336.2	26.3		1,917.5	44.3		3,253.7	70.6	156%	192%
4-7	213	549.3	11.7		1,917.5	44.3		2,466.8	56.0	119%	152%
8-11	159	391.5	8.4		1,917.5	44.3		2,309.0	52.7	111	144
12-15	139	357.0	7.8		1,917.5	44.3		2,274.5	52.1	110	142
16 & over	128	327.4	5.0		1,917.5	44.3		2,244.9	49.3	108	134

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GENERAL PROGRAM DESCRIPTION AND GUIDANCE

TASK FORCE FOR HUMANITARIAN ASSISTANCE TO CENTRAL AMERICA

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- B. Be prepared to support the Central American Presidents'
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GENERAL PROGRAM DESCRIPTION AND GUIDANCE

TASK FORCE FOR HUMANITARIAN ASSISTANCE TO CENTRAL AMERICA

I. OBJECTIVES

The Bipartisan accord between the Administration and the Congress permits flexibility in management of the Humanitarian Assistance program over the next 7 to 11 months. Our objectives are to:

- A. Keep the Resistance together as a viable organization; and
- B. Prepare Resistance personnel for eventual voluntary return to civilian life (without regard for when or where).

II. NEXT STEPS

New legislation provides A.I.D. a mandate to continue all aspects of the current humanitarian assistance program and, by adding "support for voluntary reintegration of and voluntary regional relocation by the Nicaraguan Resistance" to the definition of "humanitarian assistance", it allows for expanded training. When reintegration/relocation plans become clear, other appropriate support will be possible. In the meantime, the Task Force on Humanitarian Assistance (TFHA) will:

- A. Continue the current program but with significant expansion of training; and
- B. Be prepared to support the Central American Presidents' Plans for Demobilization in ways which prove to be acceptable/feasible/possible.

III. KEY PRINCIPLES

There are five key principles which characterize the TFHA operation. Our program is **open, accountable, legal, verifiable, and non-lethal.**

A. Open

What is secret

- Names on the FAP lists; condition, location and numbers of Resistance troops

BOSQUETO

Everything we know about the Resistance should be guarded. (Even those things about the Resistance which seem to be public knowledge are, for us, secret.)

(NOTE: In several instances, there have been open discussions in the Maya Hotel of what is, under the above guidelines, classified material. TFHA would prefer that people discussed Mayan art in the lobby of the Maya. End Note.)

What is not secret

Everything we do in support of the resistance is public.
This includes the seemingly sensitive matter of Cash-for-Food.

Working with the Press. Though we are open about Humanitarian Assistance and its elements, it is important that we speak with one, accurate voice about the program. The best way to accomplish this is to speak through a single instrument. It is our policy that U.S. direct hire and all contract employees should refer press inquiries to the Embassy Press Officer (in the missions) or the Task Force Press Officer in Washington. The safest and best policy is to not give reporters the opportunity to ask the first question. Even in your area of specialization and authority, it is best to refer inquiries to a press officer.

B. Accountable

Maintain Current Accountability Standards. Section 8 of the new Bill signed by the President on April 18, 1989 says that, "In implementing this Act, the Agency for International Development . . . shall adopt the standards, procedures, and controls for the accountability of funds comparable to those applicable with respect to the assistance for the Nicaraguan Resistance provided under Section 111 of the joint resolution making further continuing appropriations for the fiscal year 1988 (Public Law 100-202) and title IX of Public Law 100-463. Any changes in such standards, procedures, and controls shall be developed and adopted in consultation with the committees designated in Subsection (b)." The new language indicates that the Congress would have us continue the current intensive level of independent audit and oversight.

Concurrent Audits. Our desire for strict accountability of Humanitarian Assistance funds has led to a decision to require concurrent audits of every component of the Humanitarian Assistance and Childrens Survival Assistance Programs. The primary objective of these audits is to assure that no lethal aid is (or seems to be) provided under the program. Another objective of these audits is to catch problems before they begin

and to halt immediately any which might occur. In our view, nothing could be friendlier to our cause than good and timely audit work.

C. Legal

We do what the Humanitarian Assistance legislation instructs us to do. Nothing more. Nothing less. If there is a question of legality at any level of the operation, we will consult staff legal counsel. If the legislation is unclear as to any aspect of current or proposed new aspects of the program, we will seek legal opinion and/or consult with designated Oversight Committees. We will address legal questions directly.

D. Verifiable

We will establish and maintain a clear audit trail; assure that independent auditors and Catholic Church representatives are informed of humanitarian assistance deliveries; and allow other reasonable verification of the nature and substance of our program.

We control humanitarian assistance commodities to the point of delivery to the Resistance. This is the limit of our formal accountability. However, we must answer to the Congress in regard to the ultimate disposition of the assistance.

E. Non-Lethal

We will not obligate or expend funds "for the purpose of providing funds, materiel, or other assistance to the Nicaraguan Resistance to support military or paramilitary operations in Nicaragua." Neither will we provide transportation of any military assistance, or of any assistance other than that specifically authorized in the current humanitarian assistance legislation.

In short, we will not procure, deliver, or permit to be delivered in vehicles, aircraft, or boats rented or procured by TFHA, any material which by its nature would be considered to be lethal. Because of the nature of the environment, we do allow people to carry their personal weapons.

IV. SPECIAL UNDERSTANDINGS WITH THE CONGRESS

No Offensive Military Action. Following is an excerpt from the text of a letter sent by the Secretary of State to congressional leaders following passage of legislation appropriating continued aid for the Resistance:

"The purpose of this letter is to further clarify the use of humanitarian assistance under the bipartisan accord on Central America which you have jointly signed with the President. During our conversations regarding this assistance, I represented that we intend to maintain our policy that no such funds will be used to support offensive military operations" (Emphasis added)

30 day advance. We have agreed not to finance Resistance activities more than 30 days in advance.

Cash-For-Food. Since the Sandinista government has refused to allow peaceful reintegration of the Resistance under the terms of the Sapoa Accord, the Congressional Oversight Committees have agreed to allow us to provide Cash-For-Food in lieu of direct support for the Resistance forces inside of Nicaragua. This cash is provided in Nicaraguan Cordobas since we are prohibited from providing hard currency or other media of exchange which could be used to obtain arms.

The amount of cash provided to Resistance combatants inside Nicaragua is dictated by a monthly "market basket" survey which indicates the amount of money required for a low-income person to live in Nicaragua. We have agreed to limit the amount of cash to the equivalent of \$1.00/day in cordobas.

Family Assistance Payments. With regard to Family Assistance Payments, we have agreed to the following limitations:

The number of recipients cannot exceed the total number of recipients paid in February of 1988. (NOTE: There was an expansion of this number in January 1989 following TFHA consultations with Oversight Committees.)

The total amount of payments may not exceed the February 1988 payroll; and

Wholesale changes cannot be made in the list of payees.

Continued Consultation and Reporting. Congressional Oversight with respect to the humanitarian assistance program is within the jurisdiction of the Committees on Appropriations of the House of Representatives and Senate, the Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, the Permanent Select Committee on Intelligence of the House of Representatives, and the Select Committee on Intelligence of the Senate.

The legislation requires that "the Secretary of State shall consult regularly with and report to the Congress on progress in meeting the goals of the peace and democratization process, including the use of assistance provided in this Act."

In accordance with past practice, regular consultation by A.I.D. will be undertaken as required.

V. POLICIES TO ASSURE INTEGRITY OF RESTRICTIONS PROHIBITING LETHAL AND OTHER AID

Vehicles. We generally rent rather than buy vehicles. This provides the Resistance with better vehicles and provides us an increased degree of control. We require logs which indicate the purpose of travel. Were we to discover that rented vehicles were used for other than humanitarian assistance program objectives, we could terminate the rental contracts quickly.

Boats. As a rule, we do not buy boats. The reason is that boats could serve as a means of cross border transport of lethal materials. Boats might also be used to transport humanitarian aid up and down the river, but since we cannot assure that boats would not be used to transport lethal aid, heretofore, we have considered it prudent not to procure them. (This, like many others of our decisions, is based on the need to interpret humanitarian assistance legislation strictly and to implement it prudently in order that small, seemingly unimportant decisions will not place the total assistance in jeopardy.)¹

(Note: Definitions are sometimes difficult. The Catholic Church Representatives monitoring the delivery of equipment for the Resistance recently objected to the delivery of utility pouches, noting that the pouches are normally used to carry ammunition. End Note.)

Prohibition on Solicitation of Voluntary Contributions. Task Force direct hire and contract personnel are extremely circumspect about institutional-type relationships with persons or organizations who make or wish to make voluntary contributions to the Resistance effort. Humanitarian Assistance legislation carries the following specific prohibition: "Except as provided

¹ Experience with refugees attempting to cross the Rio Coco from Nicaragua resulted in our purchase of small, nonocean going, personnel boats for emergency rescue. We have placed these boats in the hands of and under the direct control of the Resistance Medical Corps.

Cooperation with International Organizations. TFHA will cooperate fully with International Organizations tasked with implementation or oversight of Plans adopted by the Central American Presidents.

Impermanency: Temporary Nature of the Program. The Honduran Government has been sensitive to the idea of permanence of the Resistance in Honduras and is sensitive to the possibility of a bivouac which might turn a piece of Honduras into a piece of Nicaragua. Thus, we have generally discouraged efforts by the Resistance to plant and harvest crops in Honduras and install permanent structures. Our sensitivity to this issue has caused us even to allow storage of troop and family food in warehouses that are less than adequate. Good storage facilities do not exist -- and we have not encouraged construction of such permanent facilities.²

VII. GENERAL PROGRAM MANAGEMENT AND ADMINISTRATION

Resistance Responsibility for Final Delivery to End Users. Our objective has been to maintain the Resistance as a viable force, so, when possible, the Resistance has taken responsibility for final delivery of humanitarian assistance through its own structure and organization. Through the Program Support Grant to the Resistance, we support the costs of warehouses, vehicle rentals and purchase of spare parts used to administer the program. We also provide under the Training for Distribution Systems Project a means for the Resistance to improve the effectiveness of its distribution systems.

Communications with the Resistance. Though we attempt to communicate with the resistance often and informally at all levels, our principal and official links to the resistance are through the field offices in Honduras and Costa Rica. In order to assure the integrity of communications, appropriate dissemination of information, and clear lines of authority, we communicate officially to the ERN and Yatama through TFHA/Honduras and to the Southern Front through TFHA/Costa Rica. We also work with Mr. Sacasa in Miami and Mr. Arguello in Washington.

²Growing of Trees. In a recent deviation from our policy of maintaining impermanency we have recently authorized the replanting of trees where the presence of troops has affected forested areas. We have also trained Resistance soldiers in the construction of Lorena stoves which will save firewood. The objective, of course, is to reduce environmental damage.

Special Procurement Authorities. The Task Force derives from Section 8 (c) [originally from subsection (e) of section 4 of Public Law 100-276] of current legislation special authority which permits it to procure goods and services irrespective of normal U.S. Government procurement rules. Since this authority is included in the legislation, it supercedes all other A.I.D. or Federal Procurement Regulations. Task Force attorney and Deputy Director, Bob Meighan, has drafted specific procurement regulations for the Task Force. Though we must always follow practices which assure reasonable cost and quality goods and services, we can invoke the special authority when required to assure appropriate and timely delivery of those goods and services. When we cannot follow normal Task Force procurement regulations, we insert into the files a memorandum from the Task Force Director specifically approving an alternative procedure and invoking the special authority.

Sensitivity to Effects of Assistance. Some Congressmen have indicated concern that A.I.D. might have provided support for the average Resistance soldier which would be significantly higher than the per capita income of most Nicaraguans. A study of the matter indicates that we are providing a benefit of between about \$443 and \$834 per capita, depending upon how we calculate assistance to families. Nicaraguan per capita GNP falls into this general area. We must be sensitive to a perception that we might by the nature and size of our program be encouraging people to join the Resistance. It is not our intention to do so.

Security Clearances. We obtain appropriate authorities and undertake security investigations and background checks of all persons who work in significant contract positions or who have access to sensitive information through the Humanitarian Assistance program. We are concerned about criminal and/or drug offenses as well as Resistance security and comfort in dealing with Task Force personnel. In the case of individuals, individual background checks will be undertaken; in the case of companies, there will be background checks of owners and principal operating officers.

U.S. Taxes. People who are paid Family Assistance Payments are required to sign a form to determine if the payments are subject to U.S. income taxes.

VIII. THE PROGRAMS

A. General Background

The Task Force on Humanitarian Assistance obligated a total of \$23.35 million under Phase II legislation which began October 1, 1988 and ended March 31, 1989. Of that amount, approximately

\$14.56 million had been delivered as of March 31. The accompanying graphs show the breakdown of the obligations by legislated category and the rates of obligation and disbursement of humanitarian aid over the past months.

As noted above, the new legislation provides A.I.D. a mandate to continue all aspects of the current humanitarian assistance program and to expand training. Specifically, the legislation provides \$49.75 million to provide:

- "(1) food, clothing, and shelter;
- (2) medical services, medical supplies, and non-military training for health and sanitation;
- (3) non-military training of the recipients with respect to their treatment of civilians and other armed forces personnel, in accordance with internationally accepted standards of human rights;
- (4) payment for such items, services, and training;
- (5) replacement batteries for existing communications equipment; and
- (6) support for voluntary reintegration of and voluntary regional relocation by the Nicaraguan Resistance."

The following sections provide clarification on approach during Phase III.

B. Food

For Troops

TFHA has provided 3 meals per day to combatants. We have established the cost at \$1.64/day per combatant and have required that \$.12 of that amount be used for vegetables only. The \$1.64/day limitation has served as a check for budget purposes. The single allowable variable has been numbers of troops.

For Families

TFHA has provided a food supplement to families of combatants. This food is intended only to supplement that which the families are able to obtain through local employment. TFHA has not wanted to make families dependent upon us or to draw families out of Nicaragua or the refugee camps, so it has established a relatively low ration (specific amounts of food for each of 5 ranges of family size) and a limit of 5,000 on the number of families we will feed.

The 5,000-family limit has served as the check on our family feeding budget. The variables have been size of families and cost of food. In order to establish a better check, TFHA/Honduras has begun an effort with Comandante Dimas to refine the family lists. As a next step, we would like to determine the exact numbers of people on the lists.

Controls: Avoidance of Double-Dipping. During Phase I, we discovered that some Nicaraguan families were receiving rations from UNHCR refugee facilities and also from the TFHA family supplemental feeding program. This is unauthorized. As there are female combatants and children who live in the ERN bivouac areas, we have undertaken to assure that persons receiving troop rations do not also receive family feeding rations. Families that receive family assistance payments may not also receive food deliveries.

The Food Reserve. Because in the past we have experienced rapid outflows of troops and families from Nicaragua, we try to keep for emergencies food reserve in place. In Phases I and II, this reserve was incorporated into current operating stocks and included in monthly distributions. In the future, we plan to maintain the reserve as a separate stock to be rotated and maintained separately.

The food has been purchased in bulk and delivered directly by vendors to centralized Resistance warehouses. Delivery schedules are based on letters sent to us from Suministros at the end of each month indicating the numbers and locations of troops and families to be fed.

C. Clothing

A.I.D. supplies the Resistance with military clothing, including standard military attire such as fatigues and boots, and related items such as field packs, canteens and mess kits as follows:

Uniforms

- 1 pair of boots every 3 months
- 1 pair of pants every 3 months
- 1 shirt every 3 months
- 2 pair of socks every 3 months
- 2 undershirts every 3 months
- 1 undershorts every 3 months

- 2 bras and 2 panties for female troops every 3 months
- 1 water poncho, poncho liner, hammock, mess kit, utensils, field pack, equipment belt and suspenders, cap, canteen and canteen cup, flashlight every six months to a year.

These items are procured from and shipped by the U.S. Department of Defense for the Task Force. A.I.D. generally delivers the goods to Resistance warehouses and the Resistance handles onward deliveries using Program Support funds. In some cases in which troops are inaccessible by road, delivery is arranged through air drops to remote areas.

QM will continue to be provided at the same replacement rate -- one new uniform and boots every three months, and one replacement on non-expendable items every six month or as needed. Given that most troops are in sanctuary, this provision should be more than adequate.

Civilian Attire. TFHA now provides civilian attire to persons who work outside the normal bivouac areas and will be prepared to provide civilian attire when the voluntary reintegration and regional relocation components of the program begin.

Special Issues

? goes inside

Double-Dipping. Resistance members in Tegucigalpa or in a hospital facility who do not require standard military clothes, will not be supplied with them. Persons who receive civilian clothing should not also receive military uniforms.

Monthly Rather than Bi-Monthly Deliveries. QM will be delivered on a monthly basis, at least initially, during Phase III. The reason is to make sure there is a regular monthly transportation schedule from the U.S. to Honduras, mainly for medicines.

Exchange Policy. Damaged or incorrectly sized boots should be returned. Once we have received the damaged or incorrect sizes, we will arrange to replace them. (Note: We have requested that damaged or large boots be returned to us on several occasions in the past and we have yet to receive any.) We are considering implementation of an exchange policy requiring that the Resistance turn in boots and batteries before receiving reissues.

Deliveries inside Nicaragua. To help in determining programming numbers, we need to understand better the Resistance system for resupplying QM to forces inside.

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Specifically, we need to improve coordination of supply with the number of people being resupplied monthly and know the status and location of surplus, if any. We also need to assure that there is an inventory when the QM arrives, records of distribution, and comparisons of records and remaining inventory with initial inventory.

D. Medical Support

Medical assistance is provided for Resistance members and their families in Honduras and Costa Rica. In Honduras, A.I.D. supports the medical services system established by the Resistance for its troops, support personnel and dependents. A.I.D. also finances critical medical services in local hospitals, and local procurement of urgently needed medical supplies, as well as specialized care in the United States.

A.I.D. has purchased medicines and medical supplies of U.S. origin from the Veterans Administration. Under contract to A.I.D., the International Medical Corps (IMC), a U.S. Private Voluntary Organization, provides specialized care, supports Medical Corps physicians, referral services in the United States, medical care for the Yatama, prosthetic devices and medical supplies and equipment to the Resistance. IMC also delivers technical assistance to Medical Corps physicians and paramedics to improve the delivery of medical services and the management of the medical system.

In Costa Rica, A.I.D. finances a small medical care system consisting of a private clinic, private practitioners and a recuperation facility for injured and ill Resistance personnel and their dependents.

E. Shelter

A.I.D. provides materials for construction of non-permanent structures.

F. Training

Human Rights Training. A.I.D. is financing human rights training conducted by the the Nicaraguan Association for Human Rights and by the Nicaraguan Resistance. Instruction in such areas as the military code of conduct and the Geneva Conventions of Human Rights are covered. Though TFHA had hoped to expand new legislation to permit support for investigative and prosecution costs of the Fiscalia, this was not included in the law.

Specific Authorizations for Human Rights and Health and Sanitation Training. Among other things, the Humanitarian Assistance legislation under which we operated in Phases I and II provided funds to A.I.D. for provision of food, clothing, shelter, medical services, medical supplies, and non-military training for health and sanitation. Only health and sanitation training and human rights training were specifically authorized. Thus, all training provided to the Resistance by Creative Associates International, except the health and sanitation training, has until now been directly linked to improvements in the Resistance's systems of delivery, storage, inventory, control and distribution of Humanitarian Assistance goods and commodities. Under the new legislation, we hope to provide general vocational training to the Resistance under the section of the law which allows support for voluntary reintegration and regional relocation.

Training for Distribution Systems. Early A.I.D. experience with the program and audits of the TFHA delivery system indicated need for improvements in 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 response to this need, TFHA designed a project to provide non-military training to Resistance members in fields relating to distribution systems management and administration. The objective of the project was to provide for more efficient, effective and verifiable delivery of A.I.D. assistance. A contract was signed with Creative Associates International, Inc., to provide "hands-on," competency-based training for Resistance personnel in areas in which administrative and management weaknesses had been apparent. Training began in mid-January with clerical skills, accounting and bookkeeping programs and expanded to include work in equipment maintenance and repair, basic and intermediate computer training, road maintenance and repair, etc.. Pursuant to the Humanitarian Assistance legislation, the program also delivered training in health-related areas such as emergency first aid and basic sanitary engineering. Training was given in Tegucigalpa, Eastern Honduras and at the Recuperation Center in Costa Rica.

Training for Voluntary Reintegration and Regional Relocation. During Phase III, TFHA hopes to increase substantially the number and scope of courses and sites for training and extension, particularly in the field bivouac areas. The training program's goal will be to facilitate Resistance members' future adaptation and reintegration to responsible and productive civilian livelihoods and life styles.

TFHA:TBarker:tb:cc:4/21/89: #1348B

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

July 20, 1988

MEMORANDUM

TO: TFHA, Don Soules
FROM: TFHA, ^{RM} Robert Meighan
SUBJ: Criteria for Payment of Program Support Costs
REF: Your Draft Memorandum Undated -- Same Subject

This subject has been around for a long time. We are in a position where we do not have legal authority to pay all administrative costs of resistance organizations. Our statute is quite specific. Funding is made available to A.I.D. to provide assistance for the resistance. Assistance is narrowly defined as food, clothing, shelter, and medical supplies and services. A.I.D. can buy any item of assistance and pay the reasonable and necessary expenses of providing it for the resistance. Those expenses might be storing, security for storage, utilities of storage facility, inventory activities, packing, etc. The A.I.D. authority to pay expenses which might have something to do with the assistance after it has been delivered, or which might in a distant way have something to do with assistance activities among others, gets fuzzier. I look at these administrative expenses in terms of time, location, type of cost and danger for abuse. If the expense is incurred after the assistance has been delivered to the resistance, which is when the A.I.D. accountability ceases, then it is hard to say that it is a cost of furnishing the assistance. If the assistance is located in one place, and the expense is incurred at another distant location, then it can be difficult to make the case that the cost is connected to the furnishing of the assistance. If the assistance could be delivered without the particular cost, that would call into question whether the cost is necessary. If the cost is so widely shared that it is hard to get a handle on, then allocability is a problem. Applying these criteria is a legal, accounting, and mostly a common sense judgment. Turning to the budget attached to your memorandum with these points in mind, I would say the following:

1. Vehicle rental for Romano, Quiche, Gustave, Isaac, Flores, and Air Personnel. I think that paying these rental costs is very questionable. The type of cost can be a bottomless pit, and cars tend to go to the beach as often as to the A.I.D.

building. I think it would be impossible to show what part of the use of those cars has anything to do with furnishing our assistance. In regard to Flores, the statute provides for the use of not to exceed \$1,500,000 for the purchase of communications equipment. (emphasis mine). It does not say anything about driving around the country checking on the communications system. A lot of Romano's activities may take place after delivery, and Quiche may have a lot of other duties.

2. House Rentals. We have authority to furnish shelter, but I don't know how that translates into paying the rent on offices. A warehouse should be charged to the assistance item stored therein, not to shelter. I don't know about the rationale for renting a meeting house for executives. If a house is really for medical recuperation, then it should be tied to the medical supplies and services account.

3. Xerox Maintenance. Machines located in our warehouse used to record what is on the premises would seem a proper charge to the accounts of items of assistance stored. Resistance machines in other locations would be much more difficult to tie down as to assistance related use..

4. Per Diem Expenses: I don't see the authority to cover such costs. It looks like a pit with no bottom if you start it.

Because the statute allows aid to provide both medical supplies and services, I would think it is easier to justify on site medical costs of a facility on a continuing basis. We can also pay for the medicines and services connected with the facility. Here the case gets weaker when you get to a physical location away from the facility. Time is not such an important element as medical treatment is an on-going thing.

I have always made a distinction between eligible costs, and the method of paying costs. Grant agreements may well be an efficient way of paying costs, but they can't be used as a cover to pay costs which would not otherwise be eligible for payment. Under a previous program, there was big trouble in this area. We don't want to get into that again. Even with a grant agreement in place, A.I.D. or its representatives should witness each procurement and make the payment therefor. I think it would be useful at this time for someone to write down what advantage we would see in signing Grant Agreements, and what role TFHA/H would play in the Grantee's Procurement Process.

88-0715-04

Approved: _____
Special Agent in Charge

Adm. John
Enfo: Ted

~~Bob~~
Harris
Kirk
D...

Price Waterhouse

July 14, 1988

TFHA - 29

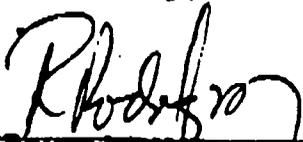
Mr. Richard Layton
Controller
Task Force for Humanitarian
Assistance
U.S. Embassy
Tegucigalpa, D. C.

Dear Mr. Layton:

In relation to your request, we have reviewed the administrative expense budget presented by the Office of Finance of the NR for the months of June, July, August and September, 1988, for the purpose of assisting the TFHA/II in evaluating its reasonableness and the adequacy of its allocation to specific elements within Public Law 100-276.

We are in the process of preparing a detailed report related to this review. Nevertheless, we can at present inform you that the budgeted expenses are adequately allocated and directly related to the distribution of food, clothing, shelter, medical services and medical supplies of the NR and that the amounts budgeted for the above mentioned months appears to be reasonable.

Sincerely,


Reynaldo Rodriguez
Director

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R.m.

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

LETTER AGREEMENT

Date: September 7, 1988

Pursuant to the authority contained in Joint Resolution 523, Public Law 100-276 of April 1, 1988, and the Delegation of Authority from the Administrator of the Agency for International Development to the Director of the Task Force on Humanitarian Assistance in Central America dated that same day, The Government of the United States of America, acting through the Agency for International Development, hereby grants to the Nicaraguan Democratic Resistance \$80,000 (Eighty Thousand United States Dollars) for program support costs for 1988. Funds provided herein are to be used in accordance with the illustrative budget attached to this agreement.

Program support costs shall be paid in accordance with the procedures described below, and with the attached budget. Concerning the budget, the following applies:

An amount up to \$17,000 may be used for costs incurred by the Medical Corps in providing medical services -- as indicated in the budget;

An amount up to \$11,900 may be used for shelter costs;

An amount up to \$51,000 may be used for costs directly related to procurement, storage, and delivery of food and clothing.

Adjustments up to 5% between the above line items may be made without prior clearance. It is understood that in preparing vouchers for expenses charged against this Grant, the following procedures will be used:

a. The Grantee shall designate (in writing) a legal representative who resides in Honduras.

b. A.I.D. will advance funds to the Grantee, up to 50% of the Grant, to cover costs as they are incurred.

c. As costs are paid from the advance, the Grantee will prepare a voucher to liquidate the advance. With each submission of voucher, the Grantee shall prepare a Certified Fiscal Report (certified by the above designated legal representative) showing allocation of the funds being vouchered.



Handwritten signature and initials, possibly "JF", with the number "169" written below it.

Allocation should show direct linkage to specific items in the budget attached to this Grant.

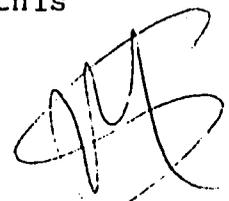
Certification shall state that costs being vouchered are directly related to procurement, storage, and delivery of food, clothing, shelter, medical supplies or medical services to the Nicaraguan Democratic Resistance.

d. The Grantee shall submit vouchers, certifications, and related books and records to A.I.D./IG designated auditors for their review and recommendation. The recommendation by the auditors will determine the reasonableness, allowability, and allocability of the costs being vouchered and specifically identify questionable costs, if any, and the reasons for questioning those costs.

e. Vouchers thus certified along with the receipts shall then be submitted to A.I.D. for final approval. It is understood that A.I.D. has final say in the determination of allowable costs. Allowable costs will be liquidated. Disallowed costs will be billed to the Grantee for payment.

f. The Grantee shall continue to maintain an auditable log system for vehicles which the Grantee has assigned to the Humanitarian Assistance Program. This system will continue to be used to maintain control of fuel usage, and to verify that vehicle expenses charged to A.I.D. are directly related to procurement, storage, and delivery of food, clothing, medical supplies and medical services to the Nicaraguan Democratic Resistance.

It is understood that financial records, including documentation to support entries on accounting records and to substantiate financial charges against this Agreement shall be maintained in accordance with usual accounting procedures of the Nicaraguan Democratic Resistance, which shall follow generally accepted accounting practices. All such financial records shall be maintained for at least three years after final disbursement of funds under this Agreement. The Nicaraguan Democratic Resistance agrees to make available to USAID and the Comptroller General of the United States all records and documents which support expenditures under this agreement.



Each of the undersigned individuals represents that he is fully authorized to execute this agreement on behalf of his respective organization.



Mario Sacasa
Vice Coordinator of Administration
and Finance, Nicaraguan
Democratic Resistance

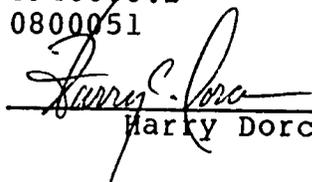


Ted Morse
The Government of the
United States of America
through the
Agency for International Development

Letter Agreement No.:
Appropriation No.:
Budget Plan Code:
Project No.:
Reservation No.:

LA-594-88-006
72-1181038
VRRRA-8829594HG 84
5940000.2
0800051

Funds Available:



Harry Dorcus, TFHA/Controller

MONTHLY PROGRAM SUPPORT COSTS

27-Aug-88

LINE ITEMS

LINE ITEMS	BUDGETED AMOUNT (LEMPIRAS)	TYPE OF ALLOCATION	AMOUNT OF ALLOCATION (LEMPIRAS)		
			FOOD	CLOTHING	SHELTER
1. CAR RENT					
FAMILY FOOD OFFICE	2,300	FOOD & CLOTHES	1,840	460	
FINANCE OFFICE	2,300	FOOD & CLOTHES	1,840	460	
FINANCE OFFICE (FAP-9DAYS)	1,600	FOOD & CLOTHES	1,280	320	
COMMUNICATIONS HOUSE	2,300	FOOD & CLOTHES	1,840	460	
SUPPLY OFFICE	2,300	FOOD & CLOTHES	1,840	460	
SUPPLY OFFICE	2,300	FOOD & CLOTHES	1,840	460	
KICKERS HOUSE	2,300	FOOD & CLOTHES	1,840	460	
SUBTOTAL CAR RENT.....	15,400		12,320	3,080	0
2. LODGING COSTS					
EXECUTIVE HOUSE					
RENT	1,700	SHELTER			1,700
ELECTRICITY	200	SHELTER			200
WATER	100	SHELTER			100
TELEPHONE	700	SHELTER			700
SUBTOTAL.....	2,700				2,700
KICKERS HOUSE					
RENT	1,000	SHELTER			1,000
ELECTRICITY	100	SHELTER			100
WATER	75	SHELTER			75
SUBTOTAL.....	1,175				1,175
MECHANICS HOUSE					
RENT	900	SHELTER			900
ELECTRICITY	150	SHELTER			150
SUBTOTAL.....	1,050				1,050
COMMUNICATIONS HOUSE					
RENT	600	SHELTER			600
ELECTRICITY	100	SHELTER			100
WATER	50	SHELTER			50
SUBTOTAL.....	750				750
TRANSIENT QUARTERS (R&R)					
RENT	900	SHELTER			900
ELECTRICITY	125	SHELTER			125
TELEPHONE	100	SHELTER			100
WATER	100	SHELTER			100
SUBTOTAL.....	1,225				1,225
SU/ LODGING COSTS	6,900				6,900

1.12

1.12

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	BUDGETED AMOUNT (LEMPIRAS)	TYPE OF ALLOCATION	AMOUNT OF ALLOCATION (LEMPIRAS)		
			FOOD	CLOTHING	SHELTER

3. OFFICE BUILDING COSTS

SUPPLY OFFICE (SUMINISTROS)

RENT	000	FOOD & CLOTHES	2,400	600	
ELECTRICITY	450	FOOD & CLOTHES	360	90	
WATER	150	FOOD & CLOTHES	120	30	
TELEPHONES (2)	000	FOOD & CLOTHES	3,200	800	
COPIER	500	FOOD & CLOTHES	400	100	
SUBTOTAL SUPPLY OFFICE.....	8,100		6,480	1,620	0

WAREHOUSE

RENT	2,500	FOOD & CLOTHES	2,000	500	
ELECTRICITY	150	FOOD & CLOTHES	120	30	
COPIER:SUMINISTROS WAREHOUSE	400	FOOD & CLOTHES	320	80	
COPIER: AID WAREHOUSE	400	FOOD & CLOTHES	320	80	
SUBTOTAL WAREHOUSE.....	3,450		2,760	690	0

FINANCE OFFICE (FINANZAS)

RENT	1,400	FOOD & CLOTHES	1,120	280	
ELECTRICITY	300	FOOD & CLOTHES	240	60	
WATER	100	FOOD & CLOTHES	80	20	
TELEPHONE	2,000	FOOD & CLOTHES	1,600	400	
COPIER	500	FOOD & CLOTHES	400	100	
SUBTOTAL FINANCE OFFICE.....	4,300		3,440	860	0

FAMILY FOOD OFFICE & DISTRIBUTION HOUSES

RENTS	1,600	FOOD & CLOTHES	1,280	320	
ELECTRICITY	250	FOOD & CLOTHES	200	50	
WATER	100	FOOD & CLOTHES	80	20	
TELEPHONE	150	FOOD & CLOTHES	120	30	
SUBTOTAL FAMILY FOOD OFFICE.	2,100		1,680	420	

SUBTOTAL OFFICE BUILDING COSTS	17,950		14,360	3,590	0
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4. SUPPLIES

OFFICE SUPPLIES	6,350	FOOD & CLOTHES	5,120	1,230	
BUILDING MATERIALS	15,000	SHELTER			15,000
SUBTOTAL.....	21,350		5,120	1,230	15,000

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5. VEHICLE EXPENSES	BUDGETED AMOUNT (LEMPIRAS)	TYPE OF ALLOCATION	AMOUNT OF ALLOCATION (LEMPIRAS)		
			FOOD	CLOTHING	SHELTER
VEHICLE MAINTENANCE	20,000	FOOD & CLOTHES	16,000	4,000	
FUEL & LUBRICATION	40,000	FOOD & CLOTHES	32,000	8,000	
CHAIN SAW MAINTENANCE	1,900	SHELTER			1,900
MULE MAINTENANCE	2,500	FOOD & CLOTHES	2,000	500	
SUBTOTAL.....	64,400		50,000	12,500	1,900
T O T A L.....	126,000		81,800	20,400	23,800
DOLLAR EQUIVALANT.....	63,000		40,900	10,200	11,900

M E D I C A L C O R P S MONTHLY PROGRAM SUPPORT COSTS

LINE ITEMS	BUDGETED AMOUNT (LEMPIRAS)	TYPE OF ALLOCATION
RENTS AND UTILITIES	6,000	MEDICAL
OFFICE SUPPLIES	5,000	MEDICAL
BUILDING MAINTENANCE/CLEANING MAT.	3,500	MEDICAL
VEHICLE MAINTENANCE	9,000	MEDICAL
FUEL & LUBRICANTS	7,500	MEDICAL
CLOTHING FOR PATIENTS	3,000	MEDICAL
T O T A L M E D I C A L.....	34,000	
DOLLAR EQUIVALANT.....	17,000	

T O T A L G R A N T	160,000	MEDICAL	FOOD	CLOTHING	SHELTER
		34,000	81,800	20,400	23,800
DOLLAR EQUIVALANT.....	80,000	17,000	40,900	10,200	11,900

ADMIN = FOOD + CLOTHING = 51,100 US DOLLARS					

12/1

NCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

GRAM SUPPORT LETTER AGREEMENT
AMENDMENT 1

DATE: September 19, 1988

This is to amend the Letter Agreement between the Agency for International Development (A.I.D.) and the Nicaraguan Democratic Resistance (NDR) dated September 7, 1988 for program support costs. The Agreement is hereby amended to include the following changes:

1. The Grant is increased by \$80,000 (Eighty Thousand United States Dollars) which will increase the maximum to \$160,000 (One Hundred Sixty Thousand United States Dollars).

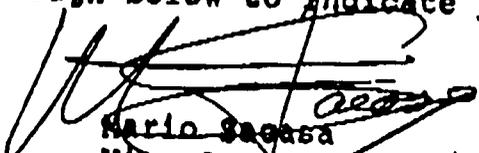
2. Funds obligated herein are to cover program support costs of-furnishing the food, clothing, shelter, and medical supplies and medical services incurred through October 31, 1988. Expenditure of these funds is to be conducted in accordance with the terms and conditions of the original agreement, and in accordance with the monthly budget established in that agreement. Concerning the budget, the following applies:

An amount up to \$17,000 may be used for costs incurred by the Medical Corps in providing medical services -- as indicated in the budget;

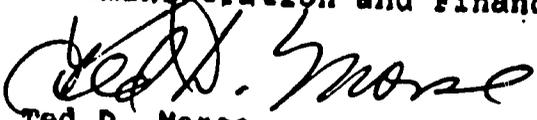
An amount up to \$11,900 may be used for shelter costs;

An amount up to \$51,100 may be used for costs directly related to procurement, storage, and delivery of food and clothing.

All other terms and conditions of the agreement, as amended, remain in force. Please sign below to indicate your approval of this amendment.



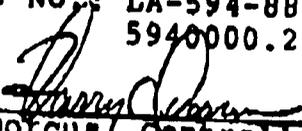
Mario Sagasa
Vice Coordinator for
Administration and Finance



Ted D. Morse
The Government of United States of America
through
The Agency for International Development

BOUNDING CITATIONS:
Letter Agreement No.: LA-594-88-006
Project No.: 5940000.2

Appropriation No.: 72-1181038
Budget Plan Code: VRRR-8829594HG 84
Reservation Nos: M800150: \$17,000
S800005: \$11,900
O800056: \$51,100

Funds Available 
Harry Dorcus, Controller, TFHA

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AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20522

PROGRAM SUPPORT LETTER AGREEMENT
AMENDMENT 2

DATE: October 14, 1988

This is to amend the Letter Agreement between the Agency for International Development (A.I.D.) and the Nicaraguan Democratic Resistance (NDR) dated September 7, 1988 for program support costs. The Agreement is hereby amended to include the following changes:

1. Sub-paragraph (b) is deleted, and in its place shall be the following:

(b) A.I.D. will advance funds to the Grantee to meet the immediate cash needs for a period of up to 30 days.

2. Sub-paragraph (c) is deleted in its entirety, and in its place shall be the following:

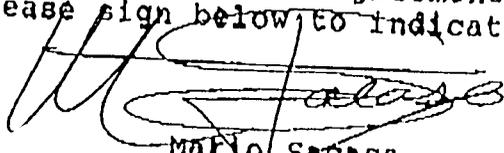
At the end of each 15 day period, or more frequently as required, the Grantee will prepare a voucher to liquidate the advance for expenditures incurred. With each submission of vouchers, the Grantee shall prepare a Certified Fiscal Report (certified by the above designated legal representative) showing the allocation of funds being vouchered.

The allocation should show direct linkage to specific items in the budget attached to this Grant.

Certification shall state that costs being vouchered are directly related to procurement, storage, and delivery of food, clothing, shelter, medical supplies and services to the Nicaraguan Democratic Resistance.

A.I.D. will replenish the advance when the above mentioned voucher has been reviewed and approved in accordance with sub-paragraphs (d) and (e) below.

All other terms and conditions of the agreement, as amended, remain in force. Please sign below to indicate your approval of this amendment.



Mario Sacasa
Vice Coordinator for
Administration and Finance

Ted D. Morse
The Government of United States of America



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AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PHASE II
PROGRAM SUPPORT
LETTER AGREEMENT

CC: TM
IL
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TB

Date: October 28, 1988

1. Pursuant to the authority contained in Title IX of the Department of Defense Appropriations Act, 1989, and the Delegation of Authority from the Administrator of the Agency for International Development to the Director of the Task Force on Humanitarian Assistance in Central America dated April 1, 1988, The Government of the United States of America, acting through the Agency for International Development, hereby grants to the Nicaraguan Democratic Resistance \$118,000 (One Hundred Eighteen Thousand United States Dollars) for program support costs for November, 1988. Funds provided herein are to be used to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program, in accordance with the illustrative budget attached to this agreement.

2. Program support costs shall be paid in accordance with the procedures described below, and with the attached budget. Concerning the budget, the following applies:

An amount up to Dollars 65,000 may be used for costs incurred by the Medical Corps in providing medical services -- as indicated in the budget;

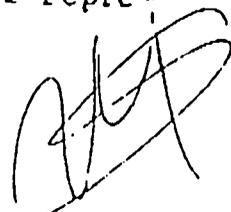
An amount up to Dollars 29,000 may be used for shelter costs;

An amount up to Dollars 24,000 may be used for costs directly related to procurement, storage, and delivery of food and clothing.

Adjustments up to 15 percent between the above budget components may be made without prior clearance. However, funds designated as "contingencies" in the budget may only be used with prior approval of TFHA/Honduras and may only be applied to components already designated in the budget.

It is understood that in preparing vouchers for expenses charged against this Grant, the following procedures will be used:

a. The Grantee shall designate (in writing) a legal representative who resides in Honduras.



- 2 -

b. A.I.D. will advance funds to the Grantee to meet the immediate cash needs for a period of up to 30 days. Any interest on funds advanced shall be returned to A.I.D.

c. At the end of each 15 day period, or more frequently as required, the Grantee will prepare a voucher to liquidate the advance for expenditures incurred. With each submission of vouchers, the Grantee shall prepare a Certified Fiscal Report (certified by the above designated legal representative) showing the allocation of funds being vouchered.

The allocation should show direct linkage to specific items in the budget attached to this Grant.

Certification shall state that costs being vouchered are directly related to procurement, storage, and delivery of food, clothing, shelter, medical supplies and services to the Nicaraguan Democratic Resistance.

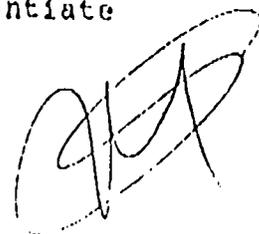
A.I.D. will replenish the advance when the above mentioned voucher has been reviewed and approved in accordance with sub-paragraphs (d) and (e) below.

d. The Grantee shall submit vouchers, certifications, and related books and records to A.I.D./IG designated auditors for their review and recommendation. The recommendation by the auditors will determine the reasonableness, allowability, and allocability of the costs being vouchered and specifically identify questionable costs, if any, and the reasons for questioning those costs.

e. Vouchers thus certified along with the receipts shall then be submitted to A.I.D. for final approval. It is understood that A.I.D. has final authority in the determination of allowable costs. Allowable costs will be liquidated. Disallowed costs will be billed to the Grantee for payment.

f. The Grantee shall continue to maintain an auditable log system for vehicles which the Grantee has assigned to the Humanitarian Assistance Program. This system will continue to be used to maintain control of fuel usage, and to verify that vehicle expenses charged to A.I.D. are directly related to procurement, storage, and delivery of food, clothing, medical supplies and medical services to the Nicaraguan Democratic Resistance.

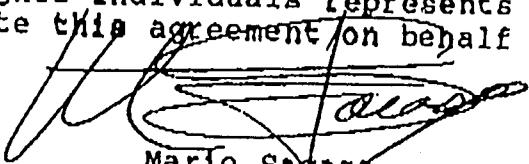
It is understood that financial records, including documentation to support entries on accounting records and to substantiate



1-10

financial charges against this Agreement shall be maintained in accordance with usual accounting procedures of the Nicaraguan Democratic Resistance, which shall follow generally accepted accounting practices. All such financial records shall be maintained for at least three years after final disbursement of funds under this Agreement. The Nicaraguan Democratic Resistance agrees to make available to USAID and the Comptroller General of the United States all records and documents which support expenditures under this agreement.

Each of the undersigned individuals represents that he is fully authorized to execute this agreement on behalf of his respective organization.



Mario Saqasa
 Vice Coordinator of
 Administration and Finance
 Nicaraguan Democratic
 Resistance



Ted D. Morse
 The Government of the
 United States of America
 through the
 Agency for International
 Development

FISCAL DATA:

Letter Agreement No.:	594-0000-A-00-9005-00									
Appropriation No.:	72-1191038									
Budget Plan Code:	VRRRA-88-29594-HG84									
Project No.:	594-0000.02									
Reservation Control Nos. & Element Nos. and Amounts	<table border="0"> <tr> <td>M900016 04</td> <td>- Medical</td> <td>- \$65,000</td> </tr> <tr> <td>0900001 05</td> <td>- Admin.</td> <td>\$24,000</td> </tr> <tr> <td>S900001 12</td> <td>- Shelter</td> <td>\$29,000</td> </tr> </table>	M900016 04	- Medical	- \$65,000	0900001 05	- Admin.	\$24,000	S900001 12	- Shelter	\$29,000
M900016 04	- Medical	- \$65,000								
0900001 05	- Admin.	\$24,000								
S900001 12	- Shelter	\$29,000								



MONTHLY PROGRAM SUPPORT COSTS

27-Oct-88

ADMINISTRATIVE COSTS (FOOD/CLOTHES)

LINE ITEMS	BUDGETED AMOUNT (LEMPIRAS)	AMOUNT OF FOOD	ALLOCATION CLOTHING
1. OFFICE BUILDING COSTS			
SUPPLY OFFICE (SUMINISTROS)			
RENT	3,000	2,400	600
ELECTRICITY	450	360	90
WATER	150	120	30
TELEPHONES (2)	4,000	3,200	800
COPIER	500	400	100
SUBTOTAL SUPPLY OFFICE.....	8,100	6,480	1,620
WAREHOUSE			
RENT	2,500	2,000	500
ELECTRICITY	150	120	30
COPIER, SUMINISTROS WAREHOUSE	400	320	80
COPIER, AID WAREHOUSE	400	320	80
SUBTOTAL WAREHOUSE.....	3,450	2,760	690
FINANCE OFFICE (FINANZAS)			
RENT	1,400	1,120	280
ELECTRICITY	300	240	60
WATER	100	80	20
TELEPHONE	2,000	1,600	400
COPIER	500	400	100
SUBTOTAL FINANCE OFFICE.....	4,300	3,440	860
FAMILY FOOD OFFICE & DISTRIBUTION HOUSES			
RENTS	1,700	1,360	340
ELECTRICITY	250	200	50
WATER	100	80	20
TELEPHONE	300	240	60
SUBTOTAL FAMILY FOOD OFFICE.	2,350	1,880	470
SUBTOTAL OFFICE BUILDING COSTS..	18,200	14,560	3,640
2. OFFICE SUPPLIES	10,000	8,000	2,000

ADMINISTRATIVE COSTS (FOOD/CLOTHING)

(CONTINUED)

LINE ITEMS	BUDGETED AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION	
		FOOD	CLOTHING
3. CAR RENTS			
FAMILY FOOD OFFICE (2)	4,600	3,680	920
FINANCE OFFICE	2,300	1,840	460
FINANCE OFFICE (FAP=9DAYS)	1,600	1,280	320
COMMUNICATIONS HOUSE	2,300	1,840	460
SUPPLY OFFICE (3)	6,900	5,520	1,380
KICKERS HOUSE	2,300	1,840	460
SUBTOTAL CAR RENT.....	20,000	16,000	4,000
4. TRANSPORTATION EXPENSES			
VEHICLE MAINTENANCE	30,000	24,000	6,000
FUEL & LUBRICATION	40,000	32,000	8,000
MULE MAINTENANCE	3,000	2,400	600
SUBTOTAL.....	73,000	58,400	14,600
5. ADMINISTRATIVE CONTINGENCIES	8,800	7,040	1,760
TOTAL ADMINISTRATIVE.....	130,000	104,000	26,000
DOLLAR EQUIVALANT.....	65,000	52,000	13,000

SHELTER COSTS -----	AMOUNT -----	(LEMPIRAS)
6. LODGING COSTS -----		
EXECUTIVE HOUSE		
RENT	1,700	
ELECTRICITY	200	
WATER	100	
TELEPHONE	700	
SUBTOTAL.....	2,700	
KICKERS HOUSE		
RENT	1,000	
ELECTRICITY	100	
WATER	75	
SUBTOTAL.....	1,175	
MECHANICS HOUSE		
RENT	1,000	
ELECTRICITY	150	
SUBTOTAL.....	1,150	
COMMUNICATIONS HOUSE		
RENT	600	
ELECTRICITY	100	
WATER	50	
SUBTOTAL.....	750	
TRANSIENT QUARTERS (R&R)		
RENT	900	
ELECTRICITY	125	
TELEPHONE	100	
WATER	100	
SUBTOTAL.....	1,225	
SUBTOTAL LODGING COSTS.....	7,000	
7. SHELTER MATERIALS COSTS -----		
BUILDING MATERIALS	15,000	
PLASTIC	15,000	
TOOLS	10,000	
CHAIN SAW MAINTENANCE	6,000	
SUBTOTAL SHELTER MATERIALS COSTS	46,000	
8. SHELTER CONTINGENCIES -----	5,000	
TOTAL SHELTER COSTS.....	58,000	
DOLLAR EQUIVALANT.....	29,000	

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MEDICAL (MEDICAL CORPS ADMIN)

9. RENTS AND UTILITIES	8,000
10. OFFICE SUPPLIES	7,000
11. BUILDING MAINTENANCE/CLEANG MAT.	7,000
12. VEHICLE MAINTENANCE	9,000
13. FUEL & LUBRICANTS	7,500
14. CLOTHING FOR PATIENTS	4,000
15. BLOOD PURCHASES	2,000
16. MEDICAL CONTINGENCIES	3,500

TOTAL MEDICAL..... 48,000

DOLLAR EQUIVALANT..... 24,000

=====
TOTAL PROGRAM SUPPORT
=====

CATEGORY	LEMPIRAS	DOLLARS
ADMIN COSTS	130,000	65,000
SHELTER	58,000	29,000
MEDICAL	48,000	24,000
TOTAL	236,000	118,000

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88-11-30-02

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

CC: DS
TM
SL
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PHASE II
PROGRAM SUPPORT
LETTER AGREEMENT
Amendment 2

This is to amend the Phase II Program Support Letter Agreement between the Agency for International Development (A.I.D.) and the Nicaraguan Democratic Resistance (NDR) dated October 28, 1988 to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program. The Agreement is hereby amended to include the following changes:

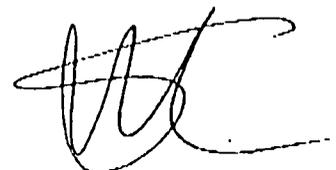
1. The Grant is increased by \$500,000 (Five Hundred Thousand United States Dollars) which when added to the original agreement of \$118,000, will increase the maximum to \$618,000 (Six Hundred Eighteen Thousand United States Dollars). These funds are to be used to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program, in accordance with the illustrative budget attached to this amendment.

2. Funds provided under this amendment are to be used to cover necessary and reasonable costs as shown in the attached budget incurred up to March 31, 1989. Concerning the budget, the following applies:

An amount up to Dollars 280,000 (Dollars 70,000 monthly) may be used for costs directly related to procurement, storage, and delivery of food and clothing;

An amount up to Dollars 120,000 (Dollars 30,000 monthly) may be used for shelter costs;

An amount up to Dollars 100,000 (Dollars 25,000 monthly) may be used for costs incurred by the Medical Corps in providing medical services -- as indicated in the budget.



10/1

3. All other terms and conditions of the original agreement remain in full force and effect, and apply equally to this amendment. Each of the undersigned individuals represents that he is fully authorized to execute this agreement on behalf of his respective organization.

Mario Sacasa
Vice Coordinator of
Administration and Finance
Nicaraguan Democratic
Resistance

Ted D. Morse
The Government of the
United States of America
through the
Agency for International
Development

FISCAL DATA:

Letter Agreement No.:	594-0000-A-00-9005-00									
Appropriation No.:	72-1191038									
Budget Plan Code:	VRRA-89-29594-HG84									
Project No.:	594-0000.02									
Reservation Control Nos. & Element Nos. and Amounts	<table border="0"> <tr> <td>0900002 05</td> <td>- Admin.</td> <td>\$280,000</td> </tr> <tr> <td>8900003 12</td> <td>- Shelter</td> <td>\$120,000</td> </tr> <tr> <td>M900054 04</td> <td>- Medical</td> <td>\$100,000</td> </tr> </table>	0900002 05	- Admin.	\$280,000	8900003 12	- Shelter	\$120,000	M900054 04	- Medical	\$100,000
0900002 05	- Admin.	\$280,000								
8900003 12	- Shelter	\$120,000								
M900054 04	- Medical	\$100,000								

Funds Available

Linda Tarpeh-Doe, TFHA Controller

PROGRAM SUPPORT COSTS

26-Nov-88

ADMINISTRATIVE COSTS (FOOD/CLOTHING)

LINE ITEMS	BUDGETED AMOUNT (LEMPIRAS)	AMOUNT OF FOOD	ALLOCATION CLOTHING	FOUR MONTH BUDGET
1. OFFICE BUILDING COSTS				
SUPPLY OFFICE (SUMINISTROS)				
RENT	3,000	2,400	600	12,000
ELECTRICITY	450	360	90	1,800
WATER	150	120	30	600
TELEPHONES (2)	4,000	3,200	800	16,000
COPIER	500	400	100	2,000
SUBTOTAL SUPPLY OFFICE.....	8,100	6,480	1,620	32,400
WAREHOUSE				
RENT	2,500	2,000	500	10,000
ELECTRICITY	150	120	30	600
COPIER: SUMINISTROS WAREHOUSE	400	320	80	1,600
COPIER: AID WAREHOUSE	400	320	80	1,600
SUBTOTAL WAREHOUSE.....	3,450	2,760	690	13,800
FINANCE OFFICE (FINANZAS)				
RENT	1,400	1,120	280	5,600
ELECTRICITY	300	240	60	1,200
WATER	100	80	20	400
TELEPHONE	2,000	1,600	400	8,000
COPIER	500	400	100	2,000
SUBTOTAL FINANCE OFFICE.....	4,300	3,440	860	17,200
FAMILY FOOD OFFICE & DISTRIBUTION HOUSES				
RENTS	1,700	1,360	340	6,800
ELECTRICITY	250	200	50	1,000
WATER	100	80	20	400
TELEPHONE	300	240	60	1,200
SUBTOTAL FAMILY FOOD OFFICE.	2,350	1,880	470	9,400
SUBTOTAL OFFICE BUILDING COSTS..	18,200	14,560	3,640	72,800
2. OFFICE SUPPLIES	15,000	12,000	3,000	60,000

ADMINISTRATIVE COSTS (FOOD/CLOTHING)

(CONTINUED)

LINE ITEMS	BUDGETED	AMOUNT OF ALLOCATION		FOUR
	AMOUNT (LEMPIRAS)	FOOD	CLOTHING	MONTH BUDGET
3. CAR RENTS				
	ONE MONTH			
FAMILY FOOD OFFICE (2)	4,600	3,680	920	18,400
FINANCE OFFICE	2,300	1,840	460	9,200
FINANCE OFFICE (FAP=9DAYS)	1,400	1,280	320	6,400
COMMUNICATIONS HOUSE	2,300	1,840	460	9,200
SUPPLY OFFICE (3)	6,900	5,520	1,380	27,600
KICKERS HOUSE	2,300	1,840	460	9,200
SUBTOTAL CAR RENT.....	20,000	16,000	4,000	80,000
4. TRANSPORTATION EXPENSES				
VEHICLE MAINTENANCE	30,000	24,000	6,000	120,000
FUEL & LUBRICATION	40,000	32,000	8,000	160,000
MULE MAINTENANCE	3,000	2,400	600	12,000
SUBTOTAL.....	73,000	58,400	14,600	292,000
5. ADMINISTRATIVE CONTINGENCIES	13,800	11,040	2,760	55,200
TOTAL ADMINISTRATIVE.....	140,000	112,000	28,000	540,000
DOLLAR EQUIVALANT.....	70,000	56,000	14,000	280,000

in this Act, no additional assistance may be provided to the Nicaraguan Resistance, unless the Congress enacts a law specifically authorizing such assistance." We cannot solicit or seem to solicit voluntary contributions from other individuals or institutions.

Human Rights Violations. A.I.D. is bound by law not to provide assistance "to any group that retains in its ranks any individual who has been found to engage in ... gross violations of internationally recognized human rights." [Sec. 204(b), Military Construction Act for FY 1987] Therefore, the U.S. government has a responsibility to encourage the Resistance to continue prosecuting human rights offenses or, in lieu of the sort of decisive adjudication we would prefer, at least separate suspected persons from the movement.

The Military Prosecutor's Office (Fiscalia Militar) of the Nicaraguan Resistance and the Nicaraguan Association for Human Rights (ANPDH) are the organizations which investigate reports of human rights abuses by members of the Resistance. The State Department continues to encourage the vigorous prosecution of any abuses, and the Resistance's procedure for doing so appears to be functioning.

We have established the following policy and procedure for necessary A.I.D. action with respect to human rights prosecution.

Guidelines

1. Persons merely accused of abuses are not barred from receiving A.I.D. assistance as long as they are promptly prosecuted and until they are judged guilty.
2. If an individual is suspended based on evidence of abuses, any family assistance payments to the individual would be deferred until such time as the case is adjudicated, but daily rations would be continued in this interim period. The individual's family could be added to the family food list if practical.
3. If a person found guilty chooses to exercise the right to appeal, that person will be considered as being suspended pending outcome of the appeal. Eligibility for humanitarian aid for that person and affected family members will be the same as for other suspended persons, described in No. 2 above, depending on disposition of the appeal.

4. Any person judged guilty of a gross violation of human rights (and has exhausted the right to appeal) is barred from receiving any form of assistance through A.I.D.'s humanitarian assistance program. The individual's family also loses eligibility.

5. Any person separated from the Resistance movement is barred from receiving any form of assistance, as is his family.

Procedures

1. A.I.D. looks primarily to the Department of State to ensure that possible human rights abuses by members of the Nicaraguan Resistance are timely reported, investigated, and adjudicated. A.I.D. has requested the Department to keep A.I.D. fully informed so that the above policy can be implemented.

2. Upon notification of suspension of an individual by the Resistance command, TFHA/H human rights program manager shall work with the FAP program manager to determine if that suspended person is on any FAP lists. If so, the FAP program manager shall notify the Resistance that FAP payments designated for that person shall be deferred until the case is decided. The human rights program manager shall notify the family food program manager that the suspended person's immediate family members are eligible under the family food program in lieu of FAP.

If TFHA/H is formally notified that the suspended person has been acquitted of all charges and the suspension has been lifted, the human rights program manager shall inform the FAP program manager that the deferred FAP payments can be made and shall inform the family food program manager that the individual's family is no longer eligible for family food assistance because FAP eligibility has been restored.

3. Upon notification of the conviction* of any individual for gross violations of human rights and/or separation from the Resistance movement, the human rights program manager shall notify the FAP program manager that the individual is barred from receiving any payments (including deferred payments, in the case of a person who had been suspended) and shall notify the family food program manager that the individual's family is barred from receiving any assistance. (*Persons appealing their conviction shall be treated as having been suspended [see No. 2] until the right to appeal has been exhausted.)

International Travel. While international travel of Resistance members between Costa Rica and Honduras or Miami can result in great benefit to our program in terms of coordination and planning, the potential risks to the Humanitarian Assistance program of funding invitational travel are far greater than the benefits to the Resistance of doing so. Since this travel can be undertaken at relatively small cost, we believe it best that the resistance finance international travel (other than medical evacuations and training) from its own resources.

Persons Involved with Earlier Aid to the Resistance. In an attempt to establish a clear separation between current A.I.D. and prior implementation of U.S. assistance to the Resistance, we attempt to screen out from TFHA contracts any enterprises or individuals who have been involved in prior U.S. assistance to the Resistance. The Phase I statute required use of "neutral delivery agents."

Air Transport Policy. TFHA helicopters are used to transport personnel and, to a much lesser extent, supplies within Honduras for reasons directly related to the effective delivery of food, clothing, shelter, and medical care to the Resistance. All flights must be approved by A.I.D. authorities and comply with written guidelines. The aircraft are never used to transport lethal supplies.

U.S., Honduran or Resistance personnel who are traveling for reasons directly related to our effective delivery of humanitarian aid are allowed to carry weapons for their personal security. Given the terrorist attacks in Honduras, particularly those against members of the Resistance, we believe this is a prudent policy.

With the exception of medical evacuees, we now forbid the transport of any individual, armed or unarmed, who is not traveling on A.I.D.-related business.

End of November. No money provided by the new bill may be used to support "military or paramilitary operations in Nicaragua." We expect the Congress and the State Department to conduct a full program review in November to see if our program should continue after that time.

VI. INTERNATIONAL RELATIONS

Sensitivity to Issues of Sovereignty. In all aspects of our program, we have tried to be sensitive to Honduran and Costa Rican foreign policy, law, understandings and sovereignty, e.g., we have encouraged the release of prisoners because the Hondurans have correctly noted that the Resistance had no judicial or penal authority in Honduras, and we have been extraordinarily cautious in advising the Government of Costa Rica of our activities in support of the Southern Resistance in Costa Rica . . . and have maintained our program there within very strict limits.

Communications with Host Governments. Our field missions are responsible for keeping the U.S. Ambassador and the host governments fully informed of every aspect of our operation in their countries and ensuring that both the Ambassador and the host country leadership agree explicitly with program activities.

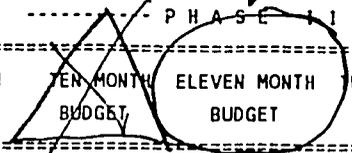
Support for U.S. Bipartisan Accord and Consistency with the New Central American Plan. The five Central American Presidents signed an accord on February 14, 1989 in which they agreed to formulate within 90 days a joint plan for the voluntary demobilization, repatriation, or relocation in Nicaragua and in third countries of Nicaraguan resistance members and their families. The Accord further states that only such assistance that contributes to the goals of the accord should be furnished to the resistance.

On March 24, 1989 the President of the United States signed a Bipartisan Accord on Central America with U.S. Congressional leaders. In that Accord, the parties agree to extend humanitarian assistance to the Nicaraguan resistance at current levels through February 28, 1990. Those funds are also to be available to support voluntary regional relocation and voluntary reintegration of the Nicaraguan resistance. On April 13, the U. S. Congress passed legislation to implement the March 24 Bipartisan Accord. It provides \$49,750,000 for humanitarian assistance to the Nicaraguan resistance, including support for the voluntary regional relocation or voluntary reintegration. At the same time the U.S Secretary of State sent two letters to the Congress. In those letters he assured the Congress that he would consult with them before obligating funds for assistance after November 1989, that no funds would be used to support offensive military operations, and that no funds or humanitarian assistance will go to any member of the resistance judged to be a violator of human rights.

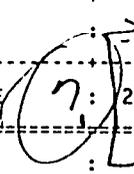
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CURRENT PROGRAM ELEMENTS

PHASE I I



HUMANITARIAN ASSISTANCE		PHASE I I	AV OBLIG	SEVEN MONTH	TEN MONTH	ELEVEN MONTH	TWELVE MONTH
24-Mar-89	06:43 PM	BUDGET	PER MONTH	BUDGET	BUDGET	BUDGET	BUDGET
FOOD:	ERN TROOPS	4,240,000	692,200	4,845,400	6,922,000	7,614,200	8,306,400
	ERN FAMILIES	1,175,500	204,150	1,429,050	2,041,500	2,245,650	2,449,800
	YATAMA	266,000	45,000	315,000	450,000	495,000	540,000
	TRAINING FOR DISTRIBUTION SYSTEM:	450,000	75,000	525,000	750,000	825,000	900,000
	SUBTOTAL FOOD	6,131,500	1,016,350	7,114,450	10,163,500	11,179,850	12,196,200
CASH FOR FOOD:	ERN*	820,000	313,700	2,195,900	3,137,000	3,450,700	3,764,400
	YATAMA	95,000	16,000	112,000	160,000	176,000	192,000
	SUBTOTAL CASH FOR FOOD	915,000	329,700	2,307,900	3,297,000	3,626,700	3,956,400
FAMILY ASSISTANCE PAYMENTS:	ERN	2,235,000	318,646	2,230,522	3,186,460	3,505,106	3,823,752
	YATAMA	230,000	33,500	234,500	335,000	368,500	402,000
	SUBTOTAL FAMILY ASSISTANCE PAYMENTS	2,465,000	352,146	2,465,022	3,521,460	3,873,606	4,225,752
CLOTHING:	QUARTERMASTER: ERN	4,000,000	664,000	4,648,000	7,968,000	7,968,000	7,968,000
	QUARTERMASTER: YATAMA	220,000	36,500	255,500	438,000	438,000	438,000
	TRAINING FOR DISTRIBUTION SYSTEM:	270,000	45,000	315,000	540,000	540,000	540,000
	SUBTOTAL CLOTHING	4,490,000	745,500	5,218,500	8,946,000	8,946,000	8,946,000
MEDICAL:	U. S. -- MEDICINES & SUPPLIES	1,000,000	150,000	1,050,000	1,800,000	1,800,000	1,800,000
	LOCAL -- MEDICINES & SERVICES	850,000	100,000	700,000	1,200,000	1,200,000	1,200,000
	HYGIENE MATERIALS	438,000	75,000	525,000	750,000	825,000	900,000
	COSTA RICA GRANT	750,000	121,000	847,000	1,210,000	1,331,000	1,452,000
	PROGRAM SUPPORT GRANT	149,000	25,000	175,000	250,000	275,000	300,000
	IMC CONTRACT	3,000,000	500,000	3,500,000	5,000,000	5,500,000	6,000,000
	YATAMA	93,000	15,000	105,000	150,000	165,000	180,000
	HEALTH AND SANITATION TRAINING	514,000	86,000	602,000	860,000	946,000	1,032,000
	SUBTOTAL MEDICAL	6,794,000	1,072,000	7,504,000	11,220,000	12,042,000	12,864,000
PROGRAM SUPPORT (FOOD & CLOTHING):							
	PROGRAM SUPPORT GRANT	415,000	70,000	490,000	700,000	770,000	840,000
	OTHER: TOOLS/BYATS/ETC	42,300	6,000	42,000	60,000	66,000	72,000
	PROGRAM WAREHOUSE COSTS	42,000	7,600	53,200	76,000	83,600	91,200
	YATAMA	50,000	7,000	49,000	70,000	77,000	84,000
	PROGRAM AUDIT	175,000	50,600	354,200	506,000	556,600	607,200
	SUBTOTAL PROGRAM SUPPORT	724,300	141,200	988,400	1,412,000	1,553,200	1,694,400
SHELTER:	PROGRAM SUPPORT GRANT	179,000	30,000	210,000	300,000	330,000	360,000
	OTHER: TENTS/COTS/PLASTIC/ETC	150,000	20,000	140,000	200,000	220,000	240,000
	TRAINING FOR DISTRIBUTION SYSTEM:	265,000	44,000	308,000	440,000	484,000	528,000
	YATAMA	6,500	1,300	9,100	13,000	14,300	15,600
	SUBTOTAL SHELTER	600,500	95,300	667,100	953,000	1,048,300	1,143,600
HUMAN RIGHTS TRAINING		680,000	113,300	793,100	1,133,000	1,246,300	1,359,600
COMMUNICATIONS		53,300	17,700	123,900	194,700	194,700	212,400
MAINTENANCE		236,400	16,804	117,628	168,040	184,844	201,600
TOTAL HUMANITARIAN ASSISTANCE		23,590,000	3,900,000	27,300,000	40,840,660	43,710,656	46,800,000
ROADS		500,000		0	0	0	0



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REPORT ON THE
TASK FORCE ON HUMANITARIAN ASSISTANCE
IN CENTRAL AMERICA

Final Report on the Phase I Program

April 1 - September 30, 1988

U.S. Agency for International Development
November 14, 1988

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REPORT ON THE
TASK FORCE ON HUMANITARIAN ASSISTANCE
IN CENTRAL AMERICA

April 1 - September 30, 1988

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EXECUTIVE SUMMARY*

At a regional summit held in Guatemala City, August 6-7, 1987, the five Central American presidents agreed to a regional framework for peace. As part of the national reconciliation called for in this Central American Peace Plan, the Government of Nicaragua and the Nicaraguan Resistance signed a preliminary cease-fire agreement on March 23 at Sapoa, Nicaragua. In addition to providing a framework for continued dialogue and democratic reforms, the Sapoa Agreement provides that steps shall be taken to obtain humanitarian aid for the Resistance.

Bipartisan legislation overwhelmingly passed by Congress in late March and signed by President Reagan on April 1, 1988 (P.L. 100-276), made the U.S. Agency for International Development (A.I.D.) responsible for administering a \$47.9 million program of humanitarian assistance to the forces of the Nicaraguan Resistance, assistance to children affected by the Nicaraguan conflict and support to the Verification Commission established by the Sapoa Agreement. More than 89% of the \$47.9 million has been obligated. This legislation authorized humanitarian assistance through September 30, 1988, while funds for the children's survival assistance and the Verification Commission do not have this time limitation.

On September 30, Congress passed and the President signed legislation (P.L. 100-463) extending the humanitarian assistance program through March 31, 1989. The new law provides for \$27.1 million for continued humanitarian aid for the Resistance, permits nonmilitary training for health, sanitation and human rights, and allows for replacement batteries for existing communications equipment. The legislation also provides for \$4 million in operational expenses to carry out this program. In addition, it makes available \$5 million for medical assistance for the civilian victims of the civil strife to be administered by the Nicaraguan Catholic Church. It is unclear at this time whether that \$5 million medical program can be administered as the Nicaraguan National Assembly has enacted legislation prohibiting the introduction into the country of cash or any other type of aid connected with U.S. Government funds. No additional funds were authorized for the ongoing children's survival assistance activities or the Verification Commission.

*This final report covers Phase I, the first six months of A.I.D.'s administration of assistance to the Nicaraguan Resistance. Under Phase II, which began October 1, 1988 and continues through March 31, 1989, bimonthly reports will be issued.

A.I.D. Administrator Alan Woods has established a Task Force on Humanitarian Assistance in Central America, which reports directly to him, to implement this program. Ted D. Morse is Director. A number of U.S. Government agencies are cooperating with A.I.D. in implementing the program.

The principles of openness and accountability guide the program. All operations are being monitored by Congress' General Accounting Office (GAO), the A.I.D. Inspector General's Office and a private accounting firm (Price Waterhouse). Congressional leadership and oversight committees -- House and Senate Appropriations, House and Senate Intelligence, House Foreign Affairs and Senate Foreign Relations and House Select Committee on Hunger -- receive regular briefings.

Despite this clear statement of principles and close consultation with oversight committees, some questions have been raised concerning A.I.D.'s implementation of the Congressional mandate. As a result of such questions, in April, Sen. Daniel K. Inouye (D-Hawaii) asked the GAO to determine the "legality or illegality" of A.I.D.'s "direction, management, and delivery of assistance and support to the Nicaraguan Democratic Resistance...." After an exhaustive independent review of A.I.D.'s efforts, on October 14 the GAO reported to Congress that there is no legal basis to sustain an objection to the way A.I.D. is administering the program. This is consistent with an earlier finding by Congressman Leon Panetta (D-Calif.) who, on behalf of 146 Congressmen, attested to the strict standards of accountability and openness A.I.D. applies in carrying out the program.

Since the program's inception, A.I.D. has strived to fulfill its mandate to keep the Nicaraguan Resistance in the field as a viable unit in support of the Sapoa process for negotiating a definitive cease-fire, irreversible democratic reforms and a lasting peace agreement in Nicaragua. In accomplishing that mandate, A.I.D. has provided the Resistance with two complete sets of quartermaster gear and a consistent supply of food, medical supplies and services and basic shelter. Under the new legislation, these humanitarian aid programs will be expanded and improved where necessary during the next six months. Despite understandable uncertainty about the future, morale is high and the Resistance has maintained its cohesiveness and steadfast commitment to democratization in Nicaragua.

The majority of Resistance troops have moved from inside Nicaragua to Honduras, where humanitarian aid is

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available. Working closely with Resistance leadership to identify needs and deliver goods and services, A.I.D. has kept up with the increased demand, and a full range of support has been provided to all Resistance forces in Honduras. Between April 1 and September 30, A.I.D. obligated \$16.5 million -- all of the money available once a shortfall in April and Yatama obligations are subtracted -- of the \$17.7 million approved for humanitarian assistance.

A major obstacle in delivering humanitarian assistance has been the inaccessibility of the Resistance forces located inside Nicaragua, who are facing a critical food need. The Nicaraguan Resistance and the Nicaraguan Government have not agreed on a modus operandi for the supply of Resistance forces who would go into cease-fire zones. Therefore, A.I.D. has been providing cash-for-food in the form of Nicaraguan currency (cordobas) to address the minimum needs for essential provisions for those Resistance members inside Nicaragua and to enable others to return to Nicaragua.

A.I.D. has continued to support the Resistance with medical services in Honduras and Costa Rica. Medical services in Costa Rica have been expanded and improved, and family assistance payments have been authorized.

Private voluntary organizations awarded grants under the \$17.7 million Children's Survival Assistance program were slow in getting under way. Just as several activities in Nicaragua were becoming fully operational, they were suspended by the Government of Nicaragua on September 12. The Government of Nicaragua stated that the suspension was tied to Congress' consideration of additional humanitarian aid to the Resistance. Legislation outlawing the entry into the country of any assistance funded by the U.S. Government was passed by the Nicaraguan National Assembly on October 6. U.S. private voluntary organizations have had to stop child assistance funded by this program and are in the process of reallocating the medicines, food and clothing to other related needs outside Nicaragua.

The Verification Commission, established by the Sapoa Accord, has been monitoring aspects of the Sapoa Accord such as the truce, freedom of expression and human rights and has been preparing to assume its responsibilities for verification, should a permanent cease-fire be negotiated. The Government of Nicaragua has indicated its desire to sharply reduce the mandate of the Commission solely to witnessing of negotiations and investigating cease-fire violations.

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Report on the
Task Force on Humanitarian Assistance
in Central America
April 1 - September 30, 1988

Background

Following the 1979 ouster of Anastasio Somoza, the United States and the Government of National Reconstruction had a relationship based on a mutual desire to rebuild Nicaragua's economy and restore political stability. Between July 1979 and April 1981, the United States committed \$118 million for economic aid to Nicaragua whose government was becoming increasingly dominated by militants of the Sandinista Front. Sandinista support for Marxist insurgents in El Salvador, however, led to the suspension of U.S. economic aid in April 1981. Relations deteriorated further as a result of: Nicaragua's continued support for armed Marxist guerrillas, strong anti-American policies, growing political and military ties to the Soviet Union and Cuba, and a domestic policy of repression of opposition to the Sandinista Front.

Dissatisfaction with repressive Sandinista policies and frustration at the lack of legitimate opportunities for change have prompted hundreds of thousands of people to leave Nicaragua and led thousands to join the armed Nicaraguan Resistance, also known as the Contras. Most of these combatants are young peasant farmers, and many are former Sandinistas. They have waged an armed struggle with the Sandinista Government since 1981.

At a regional summit held in Guatemala City, August 6-7, 1987, the five Central American presidents agreed to a regional framework for peace that emphasizes democracy and national reconciliation throughout Central America and the restoration of fundamental freedoms for the Nicaraguan people. President Reagan welcomed this "commitment to peace and democracy." As part of the national reconciliation called for in the Central American Peace Plan, the Nicaraguan Government and the Nicaraguan Resistance signed a preliminary cease-fire agreement March 23, 1988, at Sapoá, Nicaragua. In addition to providing a framework for continued dialogue and democratic reforms, the Sapoá Agreement provides that steps shall be taken to obtain humanitarian aid for the Resistance. The Resistance and the Government of Nicaragua have had four rounds of meetings since signing the Sapoá Agreement. Unfortunately, there has been little progress toward a genuine settlement or toward any arrangement for humanitarian aid deliveries to the Resistance units inside Nicaragua called for in the Sapoá Agreement.

The fourth round of negotiations took place on June 7-9 in Managua. One major point of contention at these and earlier

sessions was whether the Resistance will be required to lay down its arms before the Government of Nicaragua adopts irreversible democratic reforms. Technical level talks on the resumption of negotiations were held in Guatemala City on September 19. These talks ended in impasse because the Sandinistas would not agree that future negotiations be held outside of Nicaragua.

Legislation overwhelmingly passed by Congress in late March and signed by President Reagan on April 1, 1988, made the U.S. Agency for International Development (A.I.D.) responsible for administering a \$47.9 million program of humanitarian assistance to the forces of the Nicaraguan Resistance, aid to children affected by the Nicaraguan civil strife and financial support to the Verification Commission established by the Sapoa Agreement. The purpose of the law (P.L. 100-276) was "to assist in bringing peace and democracy to Central America."

Principal provisions of the program included:

- o \$17.7 million for humanitarian assistance consisting of food, clothing, shelter, medical services and supplies and payments for such goods and services for the Resistance.
- o \$17.7 million to provide medical care and other relief for children who are victims of the Nicaraguan civil strife. Funds are to pay for prosthetic devices and rehabilitation, medicines and immunizations, to assist burn victims and orphans, and otherwise to assist children who have been physically injured or displaced by the strife.
- o \$10 million to support the Verification Commission established by the Sapoa Agreement. The Agreement designated Cardinal Miguel Obando y Bravo, leader of the Nicaraguan Catholic Church, and Joao Baena Soares, Secretary General of the Organization of American States (OAS), as members of the Commission to verify the parties' compliance with the Agreement.
- o \$2.5 million to A.I.D. for operational expenses incurred in carrying out this program.

The legislation permitted the allocation of up to \$1.5 million of the \$17.7 million in humanitarian assistance for communications equipment and earmarked \$2.19 million of the funds for the Indian resistance force known as Yatama.

Legislation (P.L.-100-463) passed by Congress and signed by the President on September 30, extends the humanitarian

assistance program through March 31, 1989. The new law provides for \$27.14 million in humanitarian aid for the Resistance and funds, as required, for transportation of the humanitarian aid. It permits nonmilitary training for health, sanitation and human rights as well as replacement batteries for existing communications equipment. The legislation also provides \$4 million to A.I.D. for operational expenses to carry out this program. In addition, the legislation makes available \$5 million for medical assistance for the civilian victims of the civil strife to be administered by the Nicaraguan Catholic Church. It is unclear at this time whether the \$5 million medical program can be administered as the Nicaraguan National Assembly has enacted legislation prohibiting the introduction into the country of cash or any other type of aid connected with U.S. Government funds. No additional funds were authorized for the ongoing children's survival assistance activities or the Verification Commission.

Implementation

A.I.D. Administrator Alan Woods established a Task Force on Humanitarian Assistance in Central America, reporting directly to him, to implement this program. He also chairs an interagency committee to coordinate U.S. Government actions necessary to implement the assistance authorized by the legislation. At the policy level, Administrator Woods represents A.I.D. on the National Security Council's Working Group on Humanitarian Assistance, which advises the President on the assistance program and related legislation. Task Force Director Ted D. Morse represents A.I.D. at the Interagency Group on Nicaragua chaired by the Assistant Secretary of State for Inter-American Affairs.

In compliance with the law and in the spirit of the Sapoa Agreement, since April A.I.D. has been supplying humanitarian assistance directly to the Nicaraguan Resistance in Honduras and cash-for-food to provide for minimal essential purchases of food and other basics inside Nicaragua. A.I.D. is providing limited assistance to the Southern Front in Costa Rica, as the host country government permits. A.I.D. also is providing food, quartermaster and medical assistance to Yatama.

A.I.D. contracts with commercial trucking and air cargo firms to deliver the food and other supplies. The contents of deliveries are verified as non-lethal by representatives of the Honduran Catholic Church. All operations are being monitored by Congress' General Accounting Office (GAO), the A.I.D. Inspector General's Office (IG) and the private accounting firm Price Waterhouse.

The principles of openness and accountability guide the conduct of the program. A.I.D. keeps both Congress and the public informed about its activities. Congressional leadership and oversight committees -- House and Senate Appropriations, House and Senate Intelligence, House Foreign Affairs and Senate Foreign Relations and House Select Committee on Hunger -- receive regular briefings.

In April, Sen. Daniel K. Inouye (D-Hawaii) asked the GAO to determine the "legality or illegality" of A.I.D.'s "direction, management, and delivery of assistance and support to the Nicaraguan Democratic Resistance...." After an exhaustive independent review of virtually every aspect of A.I.D.'s efforts, on October 14 the GAO reported that there is no legal basis to sustain an objection to any part of the program.

In July, a Resolution of Inquiry introduced by Rep. Leon E. Panetta (D-Calif.) on behalf of 146 Congressmen was adversely recommended by the House Foreign Affairs Committee after Rep. Panetta attested to the strict standards of accountability and openness A.I.D. applies in carrying out the program.

During the first six months, A.I.D. and the Resistance established a strong working relationship, laying the foundation for continued cooperation. On September 23-24, Task Force personnel and key personnel from the Nicaraguan Resistance jointly conducted a logistics seminar to improve planning and communications between the Task Force and Resistance and to improve the administrative capability of the Resistance. Subsequent meetings to address operational issues and ensure the continued smooth delivery of humanitarian aid will follow. Consequently, despite understandable uncertainty about the future, morale is high and the Resistance has maintained its cohesiveness and steadfast commitment to democratization in Nicaragua.

Program Elements: Humanitarian Assistance

Food: A.I.D. established a Task Force office in Honduras in early April to supply humanitarian assistance to the Nicaraguan Resistance in that country. Task Force staff worked with Resistance personnel to determine requirements for food based on the number and location of troops, dependents and support personnel. The most nutritious, readily available, reasonably priced supplies of foodstuffs -- including rice, beans, plantains and meat -- have been procured in the region. The Task Force staff arranged for

Honduran commercial trucking firms and a Honduran air cargo company, under contract to A.I.D., to serve as neutral delivery organizations for food and other humanitarian supplies. Upon the request of the U.S. Embassy and A.I.D., the Honduran Catholic Church agreed to assign priests, nuns and lay people to provide impartial verification of the content of all deliveries.

On April 19, the first food shipments in Honduras reached Resistance personnel accessible by road. Airdrops by a private contractor began to less-accessible regions on April 28.

In August, A.I.D. provided humanitarian assistance to the more than 1,000 additional Resistance supporters and combatants who arrived in Southern Honduras from Nicaragua in dire need of food, medical care and clothing. Working closely with the Resistance, A.I.D. personnel at the site met their immediate needs for food, clothing and shelter. In addition, several doctors and paramedics provided critical care and supervised the evacuation of those requiring further treatment. A.I.D. provided critical helicopter transport to support the medical evacuation effort.

As of September 30, thousands of troops, supporters and Resistance families in Honduras had received about 4,880 metric tons of locally procured food, valued at about \$4.9 million. This has allowed each person to regularly receive ample food to sustain himself.

As part of the humanitarian assistance component, the Congress earmarked \$2.19 million for Yatama. At the inception of the program, A.I.D. met with various Yatama leaders to determine the numbers, location and needs of Yatama resistance forces and their immediate families. Only Yatama forces located in Honduras could be reached during the program. Some \$317,000 worth of food has been delivered to Yatama forces and their immediate family members in the Mosquitia region of eastern Honduras. (As of September 30, a total of \$1.2 million of humanitarian aid had been obligated for Yatama.)

Cash-for-Food: A major obstacle in delivering humanitarian assistance has been the inaccessibility of the Resistance forces located inside Nicaragua. As the negotiations between the Resistance and the Government of Nicaragua have dragged on, the situation of Resistance forces inside Nicaragua has grown more desperate. Their options are bartering, taking food by force or trying to obtain additional credit for food needed to survive. Many have left the country for Honduras where food supplies are available.

Clearly, this is not what the Sapoa Agreement or the U.S. legislation intended. Since the Nicaraguan Government and the Resistance have not been able to agree on a modus operandi for the supply of Resistance fighters who would go into cease-fire zones, A.I.D. has had to use other means of getting aid to the Resistance inside Nicaragua.

To enable Resistance forces inside Nicaragua to purchase minimum essential items and enable others to return to Nicaragua, on May 13 A.I.D. announced a program to provide measured amounts of cash to purchase minimal essential authorized goods, such as food, clothing and medical care, to the Resistance for delivery to units inside that country. After consulting with the Congress, A.I.D. began providing cash-for-food in the form of Nicaraguan currency (cordobas) on June 2.

Currency is less bulky and easier to transport than food and accommodates the purchase of perishable goods on the local market. A.I.D. purchases cordobas outside Nicaragua at a competitive exchange rate to be distributed to the Resistance. Payments do not exceed the equivalent of \$1 per day, per person, for a 30-day period. The amount of cordobas provided is based on a low-income market basket survey in Nicaragua, periodically adjusted for inflation to protect this minimal purchasing power.

When payments cannot be made directly to units returning to Nicaragua, the Resistance is responsible for the delivery of currency by courier to units in-country. Task Force and audit personnel monitor all distributions made within Honduras. Receipts, which specify the intended use of the funds, are obtained at the distribution points. The level of total payments has fluctuated depending upon the ability of the Resistance to supply couriers or units with the material needed to defend themselves in Nicaraguan territory.

The program is expected to continue on a reduced basis even if A.I.D. is allowed to initiate aerial resupply of food inside Nicaragua, to help ensure a smooth transition period, to allow the purchase of fresh foods and to compensate for flight interruptions due to weather.

Clothing: A.I.D. has supplied Resistance forces with clothing and related humanitarian supplies, as called for in the legislation. Clothing and boots sufficient to supply each combatant with two sets were provided in the six-month period. This quartermaster gear includes standard military attire: fatigues, boots, ponchos, field packs, canteens and

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mess kits. Approximately \$3.7 million worth of quartermaster supplies has been procured through the Department of Defense (DOD). It is shipped to Honduras in DOD C-130 planes and delivered via commercial trucks and contracted aircraft to Resistance units. Yatama units in the more remote Atlantic Coast areas received approximately \$575,000 worth of quartermaster gear, meeting the clothing needs of Yatama through September 30.

Family Assistance Payments: Family assistance payments are being provided to senior Resistance members and specialists to defray some of their family basic living expenses. About 2,200 people residing in Honduras and 40 in Miami received a total of more than \$1.3 million in family assistance support since April, and approximately \$160,000 was distributed to 159 Yatama members in Honduras. In mid-July, A.I.D. obtained approval from the host government to begin making family assistance payments to Resistance families living in Costa Rica. Family assistance payments there amounted to approximately \$218,000 through August. As of September 30, a total of \$272,750 has been obligated for family assistance payments in Costa Rica.

Communications Equipment: The legislation provided up to \$1.5 million for communications equipment for Resistance forces. The Resistance has furnished their requirements, and, communication equipment and spare parts valued at \$1.5 million have been delivered or are on order for delivery. The immediate needs for the essential communications system of the Resistance have been met.

Medical Supplies and Services: Medical assistance to the Resistance in Honduras and Costa Rica is being funded under the humanitarian assistance component of the program. In Honduras, A.I.D. has provided funds to cover the medical services system already established by the Resistance for its troops, support personnel and dependents. The funds cover critical medical services and local procurement of urgently needed medical supplies.

More than \$2.3 million has been spent to support the Resistance's medical services systems and to provide specialized care in the United States. A.I.D. has purchased \$528,000 worth of medicines and medical supplies from the Veterans Administration (VA), of which \$368,000 has been delivered. A.I.D. also purchases more urgently needed and readily available medical supplies off-the-shelf in Honduras for the Resistance medical corps. Local procurement totaled \$700,000. In addition, an A.I.D. medical supply specialist

worked with Resistance staff to improve their system for determining usage rates, inventory control, ordering and storage of medical supplies.

In early June, A.I.D. signed a grant agreement with the Dooley Foundation/INTERMED-USA, Inc. to provide specialized care, referral services in the United States and medical equipment. Amendments to this agreement in July and August were awarded to enable medical care for wounded members of Yatama, fund the provision of prosthetic devices and cover transportation costs for medical care in the United States. A new grant with the International Medical Corps, a private voluntary organization, is being negotiated to continue these services following the October 31 termination of the present grant.

In Costa Rica, A.I.D. funds have supported a small medical care system consisting of private clinics, private practitioners and recuperation facilities for injured and ill Resistance personnel and their dependents. A.I.D. has relocated the people requiring medical assistance to a single site to improve the quality and effectiveness of medical care for the growing number of patients. The Costa Rica medical program has received \$437,100 of support through September.

Children's Survival Assistance Program

Another major component of the legislation is \$17.7 million for medical care to children affected by the Nicaraguan civil strife. The April 1 legislation provided that assistance to children be channeled only through nonpolitical private voluntary organizations (PVOs) or international relief organizations. 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.

Given the emergency nature of the situation, proposals for programs consistent with the intent of the legislation were solicited by April 18. Some 16 proposals and/or expressions of interest were received, and A.I.D. signed grants totaling \$14.2 million with 10 PVOs to provide a wide range of services to children in Nicaragua and Honduras: Adventist Development and Relief Agency (ADRA), American Red Cross (ARC), CARE, Catholic Relief Services (CRS), International Medical Corps (IMC), Pan American Development Foundation (PADF), National Association of Partners of the Americas (NAPA), Project HOPE, Save the Children Foundation (SCF) and World Rehabilitation Fund (WRF). These groups were selected for their experience

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in Central America and their proven track records in delivering the services called for in the legislation.

At the initial stages of the program, the PVOs experienced some delays resulting from difficulties in obtaining Government of Nicaragua concurrence to proceed, obtaining U.S. Government export licenses, organizing PVO staffs or importing commodities needed to carry out the new activities. After working for weeks to obtain Government permission to operate in the country, International Medical Corps was rejected by the Nicaraguan Government and withdrew from the program, and Project HOPE chose to refocus its activities to Honduras.

In September, most of the other PVOs working in Nicaragua were about to become fully operational as the Government appeared to be more cooperative and as personnel were in place and supplies reached the country. One group, the National Association of Partners of the Americas, had already reached as many as 15,000 children in Nicaragua with goods financed by the program. As of September 30, accrued expenditures for all groups totaled nearly \$3.4 million.

However, on September 12, the Nicaraguan Government informed PVO representatives that the children's survival assistance program was suspended pending U.S. Congressional action on more aid for the Resistance. Subsequently, legislation was passed by the Nicaraguan National Assembly on October 6 outlawing the entry into the country of cash or any other type of aid connected with U.S. Government funds. The penalty for violation is from 4-12 years imprisonment and confiscation of property. The Government of Nicaragua's banning of this program reversed its previous policy authorizing many of these organizations to implement child survival activities in Nicaragua. The decision came just as large amounts of medicines, clothing, and food had been or were about to be delivered in Nicaragua. U.S. private voluntary organizations have had to stop child assistance funded by this program, and they are now in the process of reallocating the medicines, food and clothing to other related needs outside Nicaragua.

The children's survival assistance program continues in Honduras, where the American Red Cross has been delivering supplemental food to 850 children through the Honduran Red Cross' Glass-of-Milk-a-Day feeding program. World Rehabilitation Fund has identified and/or measured about 150 amputees for prosthetic devices in Honduras. In addition, it has leased a building for a small prosthetic device manufacturing facility, which is expected to be operational by mid-October.

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The United Nations Children's Fund, the U.N. High Commissioner for Refugees and the Pan American Health Organization submitted proposals in mid-September for activities to be funded from the \$5.5 million reserve, which was to be used to "fill in the gaps" in services performed and people and regions served. In addition, there were requests from several of the participating PVOs to extend the time frame and/or the scope of their current children's survival assistance activities. Only proposals for activities in Honduras and, possibly, Costa Rica can be recommended for funding due to the Nicaraguan Government's banning of the children's survival program.

Verification Commission

The third component of the legislation provides for \$10 million to support the Verification Commission consisting of Joao Baena Soares, Secretary General of the Organization of American States (OAS), and Cardinal Miguel Obando y Bravo, leader of the Nicaraguan Catholic Church. 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 and provision of amnesty.

Reaching agreement for funding of the Verification Commission initially was difficult. A program and related budget were not forthcoming. Also, some time was required to reach agreement between the Secretary General's representatives and the Cardinal's representatives regarding respective roles in the verification process.

After extensive consultation with both parties, A.I.D. signed an agreement on May 18 that supports both parties' activities verifying compliance with Sapoa and any subsequent agreements. Just over \$3.2 million was advanced immediately to support the Commission's activities. An estimated \$1.2 million has been spent by the Commission.

While verification of non-lethal aid and operation of cease-fire zones will not commence until a cease-fire accord is finalized, Verification members have made necessary advance preparations and have undertaken to monitor other aspects of the Sapoa Agreement such as the truce, freedom of expression and human rights. Commission member Obando y Bravo has established the necessary regional offices, organized a corps of observers, conducted a training workshop for observers and zonal support crew members, purchased equipment and undertaken verification activities inside Nicaragua.

Through government-controlled media, the Nicaraguan Government has publicly criticized and harassed Cardinal Obando's efforts to carry out this verification mandate. This follows an attempt by the Government of Nicaragua in August to remove freedom of expression and human rights issues from the Verification Commission's work. The Government also has blocked the release of vehicles and equipment imported for use by the Cardinal's verification staff. A vehicle and other equipment funded for the OAS Secretary General's verification responsibilities have been admitted into Nicaragua.

The Inter-American Human Rights Commission has reviewed files of political prisoners who were members of the disbanded National Guard and issued a report to the Secretary General, which has not been made public or released to A.I.D.

Operations

Forty-four A.I.D. employees and contractors are currently assigned to the Task Force on Humanitarian Assistance, directed by Ted D. Morse, with Robert Meighan serving as deputy director for Support, and John Lovaas as deputy director for Operations. The Task Force's core staff of 21 persons is located in Washington, D.C. The Honduran field office, which has grown from 12 to 23 employees to ensure continued efficiency and accountability, is headed by Philip Buechler. In Costa Rica, the Task Force is represented by one A.I.D. officer, Ray Baum, who manages the Humanitarian Assistance program in that country.

Budget

More than 89% of the \$47.9 million has been obligated. As the following chart shows, \$16.5 million worth of humanitarian aid has been obligated for the first phase of operation. This is virtually all of the available funds once the April and Yatama shortfalls are deducted. More than 83% of that has been delivered.

Operating expenses amounted to approximately \$2.15 million. In October, the systems, personnel and equipment were put in place to decentralize the official accounting to Tegucigalpa to be closer to the point of expenditure and audit.

WTE

Assistance Provided April 1 - September 30, 1988

HUMANITARIAN ASSISTANCE	<u>Obligations</u>	<u>Estimated Delivered Value*</u>
Food**	\$ 5,204,728	\$ 4,277,495
Cash-for-Food	615,863	581,237
Family Assistance Payments	2,023,559	1,689,000
Quartermaster Supplies	3,734,880	3,734,880
Medical Supplies and Services	2,914,020	2,301,506
Program Support (Food, QM and Shelter)	389,504	271,594
Shelter	<u>95,640</u>	<u>67,080</u>
SUBTOTAL	\$14,978,194	\$12,922,792
Communications Equipment	<u>\$ 1,500,000</u>	<u>\$ 800,000</u>
TOTAL HUMANITARIAN ASSISTANCE	\$16,478,194	\$13,722,792
=====		
TRANSPORTATION***		
U.S. to Honduras: Air	\$ 789,422	
Parachutes	730,758	
Honduras: Air	1,055,603	
Honduras: Surface	<u>778,020</u>	
TOTAL TRANSPORTATION	\$ 3,353,803	
=====		
VERIFICATION COMMISSION	\$ 10,000,000	
=====		
CHILDREN'S SURVIVAL ASSISTANCE PROGRAM	\$ 14,180,000	
=====		

*Does not include cost of transportation.

**Some 4,883 metric tons of food have been delivered. The almost \$1 million food pipeline as of September 30 was to forward fund October food deliveries as a contingency against delayed Congressional action on Phase II legislation.

***Transportation expenses as required are provided for under the legislation.

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ATTACHMENT A

Children's Survival Assistance Participants

<u>Private Voluntary Organization</u>	<u>Country</u>	<u>Amount of Grant</u>
Adventist Development and Relief Agency	Nicaragua	\$2,500,000
American Red Cross	Honduras	\$ 400,000
CARE	Country Assessments	\$1,000,000
Catholic Relief Services	Nicaragua	\$3,000,000
International Medical Corps*	Honduras Nicaragua	\$1,500,000
Pan American Development Foundation	Nicaragua	\$2,000,000
Partners of the Americas	Nicaragua	\$1,580,000
Project HOPE**	Honduras	\$1,000,000
World Rehabilitation Fund	Honduras, Nicaragua	\$ 500,000
Save the Children Federation	Nicaragua	\$ 700,000

*Cooperative Agreement deobligated October 4, 1988.
 **Cooperative Agreement amendment in process.

ATTACHMENT B

Task Force on Humanitarian Assistance (TFHA)
Staffing as of September 30, 1988

Listed below are staff members currently assigned to the Task Force in Washington, Honduras and Costa Rica.

A. A.I.D. Washington Staff (21)

Ted D. Morse	Director
John Lovaas	Deputy Director for Operations
Robert Meighan	Deputy Director for Support
Roger Noriega	External Affairs
Dave Adams	Senior Program Officer
Don Soules	Program Officer
Linda Tarpeh-Doe	Controller
Harry Dorcus	Controller
Lulu Lambrano	Financial Management
Edward Rhatigan	Executive Officer
Diane Kirk	Administrative Assistant
Regina Coleman	PVO Liaison Officer
Sharon Isralow	Project Officer - Quartermaster/Yatama
Frank Moncada	Senior Procurement Officer
Alfred Barr	State Liaison Officer
Vickie McBee	Secretary
Colomba Chow	Secretary
Billie Hall	Secretary
Margaret Greene	Secretary
Nina Campbell	Clerk-Typist
Monique Lewis	Clerk-Typist

B. Honduras Staff (23)

Philip Buechler	Director, Field Operations
Donald Shannon ¹	Controller (PSC)
Keith Romwall ¹	Controller
Robert Van Horn ²	Procurement
Leonel Pizarro ²	Procurement
Alex Sunderman	Field Operations
Luis Coronado ³	Field Operations
Ed Baker ³	Field Operations
Charles Habis ⁴	Project Manager - Health
Francisco Zamora ⁴	Project Manager - Health
Brett Miller	Executive Officer (PSC)
Rolando Acosta	Field Operations (PSC)
Sandra Boring	Project Assistant (PSC)
Clarence Czaia	Deputy Field Controller (PSC)
Robert Herald	Air Operations Coordinator (PSC)

¹Keith Romwall is scheduled to arrive October 10 to become the full-time replacement for Don Shannon, who is scheduled to depart on October 28, 1988.

⁴Leonel Pizarro is scheduled to arrive October 13 to become the full-time replacement for Robert Van Horn, who is scheduled to depart on October 28, 1988.

³Ed Baker is the full-time replacement for Louis Coronado, who is scheduled to depart on October 7, 1988.

⁴Francisco Zamora is the full-time replacement for Charles Habis, who is scheduled to depart on October 4, 1988.

Cathy Quiros	Accountant (PSC)
Wanda Strum	Secretary (PSC)
Elmer Trejo	Accountant/Voucher Examiner (IQC)
Carla Bueso	Voucher Examiner (PSC)
Teresa Bendana	Voucher Examiner (PSC)
Evelyn Ochoa	Voucher Examiner (PSC)
Rosario Cordoba	Voucher Examiner (PSC)
Mitzi Pita	Secretary (PSC)
J.C. Molina	Clerk/Messenger (PSC)
Ibtisama F. Bradley	Secretary (PSC)

C. Costa Rica (1)

Ray Baum	Program Manager - Costa Rica
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**STATUS REPORT OF THE
TASK FORCE ON HUMANITARIAN ASSISTANCE
IN CENTRAL AMERICA**

Final Report on the Phase II Program

October 1, 1988 - March 31, 1989

**U.S. Agency for International Development
April 20, 1989**

**REPORT OF THE
TASK FORCE ON HUMANITARIAN ASSISTANCE
IN CENTRAL AMERICA**

October 1, 1988 - March 31, 1989

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EXECUTIVE SUMMARY

At a regional summit held in Guatemala City, August 6-7, 1987, the five Central American presidents agreed to a regional framework for peace. As part of the national reconciliation called for in this Central American Peace Plan, the Government of Nicaragua and the Nicaraguan Resistance signed a preliminary cease-fire agreement on March 23, 1988 at Sapoa, Nicaragua. In addition to providing a framework for continued dialogue and democratic reforms, the Sapoa Agreement provides that steps shall be taken to obtain humanitarian aid for the Resistance.

Bipartisan legislation overwhelmingly passed by Congress in late March and signed by then President Reagan on April 1, 1988 (P.L. 100-276), made the U.S. Agency for International Development (A.I.D.) responsible for administering a \$47.9 million program of humanitarian assistance to the Nicaraguan Resistance, assistance to children affected by the Nicaraguan conflict, support to the Verification Commission established by the Sapoa Agreement and operational expenses to carry out this program. The legislation also permitted the allocation of up to \$1.5 million in humanitarian assistance for communications equipment. This legislation authorized humanitarian assistance through September 30, 1988, while funds for the children's survival assistance and the Verification Commission do not have this time limitation.

On September 30, Congress passed and President Reagan signed legislation (P.L. 100-463) extending the humanitarian assistance program through March 31, 1989. This law provides for \$27.14 million for continued humanitarian aid for the Resistance, permits nonmilitary training for health, sanitation and human rights, and allows for replacement batteries for existing communications equipment. The legislation also provides for \$4 million in operational expenses. In addition, it makes available \$5 million for medical assistance for the civilian victims of the civil strife to be administered by the Nicaraguan Catholic Church. That \$5 million medical program cannot be administered because the Nicaraguan National Assembly has enacted legislation prohibiting the introduction into the country of cash or any other type of aid connected with certain U.S. Government funds. No additional funds were authorized for the ongoing children's survival assistance activities or the Verification Commission.

On March 24, President George Bush, Speaker of the House James C. Wright Jr. and House and Senate Majority and Minority Leaders signed a Bipartisan Accord on Central America that

sets out the broad outlines of U.S. policy toward Central America and commits both the Executive and Congress to work together to achieve it. The accord calls for continued humanitarian assistance to the Resistance through February 28, 1990, noting that the Government of Nicaragua has agreed to hold new elections under international supervision just prior to that date. The accord includes funds to support voluntary reintegration or voluntary regional relocation by the Resistance under safe, democratic conditions. (Legislation was adopted by Congress on April 13 and signed into law by President Bush on April 18, 1989.) The Bipartisan Accord is consistent with the goals of the Central American Peace Plan (Esquipulas II) and the Tesoro Beach, El Salvador, communique issued by the five Central American Presidents on February 14.

A.I.D. Administrator Alan Woods established a Task Force on Humanitarian Assistance in Central America, which reports directly to him, to implement this program at its inception on April 1, 1988. Ted D. Morse is Director. A number of U.S. Government agencies are cooperating with A.I.D. in implementing the program.

The principles of openness and accountability guide the program. All operations are being monitored by Congress' General Accounting Office (GAO), the A.I.D. Inspector General's Office (IG) and a private accounting firm (Price Waterhouse). Congressional oversight committees -- Senate and House Appropriations, Senate Foreign Relations and House Foreign Affairs -- receive regular briefings. In addition, the Senate and House Intelligence Committees and the House Select Committee on Hunger receive briefings on the program.

Despite this clear statement of principles and close consultation with oversight committees, some questions were raised early on concerning A.I.D.'s implementation of the Congressional mandate. As a result of such questions, in April, Sen. Daniel K. Inouye (D-Hawaii) asked the GAO to determine the "legality or illegality" of A.I.D.'s "direction, management, and delivery of assistance and support to the Nicaraguan Democratic Resistance...." After an exhaustive independent review of A.I.D.'s efforts, on October 14 the GAO reported to Congress that there is no legal basis to sustain an objection to the way A.I.D. is administering the program.

More recently, A.I.D.'s satisfactory administration of the program has been cited in final audit reports on the implementation of the program during the first phase from the A.I.D. Inspector General's Office and Price Waterhouse. The

reports were favorable considering the complexity of the program. They highlighted pertinent matters, some of which require further attention, but the reports contain no recommendations for improvement. The General Accounting Office, which submitted a draft report on the implementation of Phase I on March 31, also reported that due to the close scrutiny by A.I.D. managers, the GAO had no recommendations to make for improvement of program implementation.

Between October 1, 1988 and March 31, 1989, A.I.D. obligated \$23.35 million of the authorized \$27.14 million in humanitarian assistance. In consultation with Congress, a portion of these funds was used to provide humanitarian assistance to the Resistance through the month of April.

Under the current legislation, humanitarian aid programs begun on April 1, 1988, were expanded and improved where necessary. Since the inception of the program, A.I.D. has worked closely with Resistance leadership to identify needs and deliver goods and services. The impact has been significant. Morale within the Nicaraguan Resistance remains high, and the Resistance has maintained itself as a viable organization in support of the Sapoa process and recent diplomatic initiatives for irreversible democratic reforms and a lasting peace agreement in Nicaragua.

A.I.D. is providing a full range of authorized support to all Resistance forces in Honduras, where the majority of Resistance troops have moved from inside Nicaragua. Resistance members in the Northern, Atlantic and Southern fronts inside Nicaragua and others returning to Nicaragua receive cash-for-food in the form of Nicaraguan currency (cordobas) to purchase essential provisions.

On February 25, a private DC-6 under contract to A.I.D. to deliver humanitarian supplies crashed while returning to Tegucigalpa after a routine air drop of food and fuel in Eastern Honduras. The crew of ten was killed in the crash.

During this phase of operation, medical services to the Resistance are being provided by the International Medical Corps, a private voluntary organization. Substantial progress has been made in the medical program. An immunization program has begun, and the backlog of surgical cases has been treated. A clinic was established in the Mosquitia to serve Matama combatants and families in the area. An integral part of the medical program is technical assistance to Resistance Medical Corps physicians and paramedics to improve the delivery of medical

services and the management of the medical system. Training to deliver basic first aid is being provided through a contract with Creative Associates, Inc. These contracts have been extended to May 31 to assure continuity of services.

Activities of the five private voluntary organizations working in Nicaragua under the Children's Survival Assistance program grants were suspended by the Government of Nicaragua on September 12. The Government of Nicaragua stated that the suspension was tied to Congress' consideration of additional humanitarian aid to the Resistance. Legislation outlawing the entry into the country of certain assistance funded by the U.S. Government was passed by the Nicaraguan National Assembly on October 6. Thus, these U.S. private voluntary organizations have had to stop child assistance funded by this program and have reallocated the medicines, food and clothing to other related needs outside Nicaragua.

The Verification Commission, established by the Sapoa Accord, has been monitoring aspects of the Sapoa Accord such as the truce, freedom of expression and human rights and has been preparing to assume its responsibilities for verification, should a final negotiated cease-fire be established. The Government of Nicaragua has indicated its desire to sharply reduce the mandate of the Commission solely to witnessing of negotiations and receiving complaints of cease-fire violations. The Commission is working on an agreement with the Government of Nicaragua that sets forth the conditions, guarantees and privileges for the Commission's work, such as freedom of movement and protection of personnel and property. Both the OAS and the Cardinal have returned funds advanced to them that are in excess of their current needs to carry out present limited activities.

**Report on the
Task Force on Humanitarian Assistance
in Central America
October 1, 1988 - March 31, 1989**

Background

Following the 1979 ouster of Anastasio Somoza, the United States and the Government of National Reconstruction had a relationship based on a mutual desire to rebuild Nicaragua's economy and restore political stability. Between July 1979 and April 1981, the United States committed \$118 million for economic aid to Nicaragua whose government was becoming increasingly dominated by militants of the Sandinista Front. Sandinista support for Marxist insurgents in El Salvador, however, led to the suspension of U.S. economic aid in April 1981. Relations deteriorated further as a result of Nicaragua's continued support for armed Marxist guerrillas, strong anti-American policies, growing political and military ties to the Soviet Union and Cuba, and a domestic policy of repression of opposition to the Sandinista Front.

Dissatisfaction with repressive Sandinista policies and frustration at the lack of legitimate opportunities for change have prompted hundreds of thousands of people to leave Nicaragua and led thousands to join the armed Nicaraguan Resistance, also known as the Contras. Most of these combatants are young peasant farmers, and many are former Sandinistas. They have waged an armed struggle with the Sandinista Government since 1981.

At a regional summit held in Guatemala City, August 6-7, 1987, the five Central American presidents agreed to a regional framework for peace that emphasizes democracy and national reconciliation throughout Central America and the restoration of fundamental freedoms for the Nicaraguan people. As part of the national reconciliation called for in the Central American Peace Plan, the Nicaraguan Government and the Nicaraguan Resistance signed a preliminary cease-fire agreement March 23, 1988, at Sapoa, Nicaragua. In addition to providing a framework for continued dialogue and democratic reforms, the Sapoa Agreement provides that steps shall be taken to obtain humanitarian aid for the Resistance. The Resistance and the Government of Nicaragua have had four rounds of meetings since signing the Sapoa Agreement. Unfortunately, there has been little progress toward a genuine settlement or toward any arrangement for humanitarian aid deliveries to the Resistance units inside Nicaragua called for in the Sapoa Agreement.

The fourth round of negotiations took place on June 7-9 in Managua. One major point of contention at these and earlier sessions was whether the Resistance would be required to lay down its arms before the Government of Nicaragua adopts

irreversible democratic reforms. Technical level talks on the resumption of negotiations were held in Guatemala City on September 19. These talks ended in impasse because the Sandinistas would not agree that future negotiations be held outside of Nicaragua.

The five Central American Presidents met at Tesoro Beach, El Salvador and issued a communique on February 14, 1989 that inter alia calls on the Government of Nicaragua to adhere to a set of democratic principles, which includes elections by February 1990. In return, the communique calls for the "voluntary demobilization, repatriation or relocation in Nicaragua and in third countries of Nicaraguan resistance members and their families." The Presidents agreed to come up with a plan within 90 days to address the repatriation issue. The communique also allows for the provision of humanitarian aid that contributes to the goals of that document. The Resistance was not party to the accord.

Humanitarian Assistance Legislation

Legislation overwhelmingly passed by Congress in late March and signed by President Reagan on April 1, 1988, made the U.S. Agency for International Development (A.I.D.) responsible for administering a \$47.9 million program of humanitarian assistance to the forces of the Nicaraguan Resistance, aid to children affected by the Nicaraguan civil strife, financial support to the Verification Commission established by the Sapoa Agreement and operational expenses incurred in carrying out this program. The legislation also permitted the allocation of up to \$1.5 million in humanitarian assistance for communications equipment. The purpose of the law (P.L. 100-276) was "to assist in bringing peace and democracy to Central America." This legislation authorized humanitarian assistance through September 30, 1988.

On September 30, Congress passed and President Reagan signed legislation (P.L. 100-463) extending the humanitarian assistance program through March 31, 1989. (The program is referred to as Phase II within this document). The new law provides for \$27.14 million for continued humanitarian aid for the Resistance, permits nonmilitary training for health, sanitation and human rights and allows for replacement batteries for existing communications equipment. The legislation also provides for \$4 million in operational expenses. In addition, it makes available \$5 million for medical assistance for the civilian victims of the civil strife to be administered by the Nicaraguan Catholic Church. That \$5 million medical program cannot be administered as the Nicaraguan National Assembly has enacted legislation prohibiting the entry into the country of

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funds or any other type of aid flowing from several pieces of U.S. legislation. No additional funds were authorized for the ongoing \$17.7 million Children's Survival Assistance activities or the Verification Commission for which \$10 million was earmarked.

On March 24, President George Bush, Speaker of the House James C. Wright Jr. and House and Senate Majority and Minority Leaders signed a Bipartisan Accord on Central America that sets out the broad outlines of U.S. policy toward Central America and commits both the Executive and Congress to work together to achieve it. The accord calls for the President to introduce and Congress to support continued humanitarian assistance to the Resistance through February 28, 1990, noting that the Government of Nicaragua has agreed to hold new elections under international supervision just prior to that date. The accord includes support for voluntary reintegration or voluntary regional relocation by the Resistance under safe, democratic conditions. (Some \$66.6 million to extend the humanitarian aid program through February 1990 was approved by Congress on April 13 and signed into law by President Bush on April 18, 1989.) The Bipartisan Accord and legislation are consistent with the goals of the Central American Peace Plan and the Tesoro Beach communique.

Implementation

A.I.D. Administrator Alan Woods established a Task Force on Humanitarian Assistance in Central America, reporting directly to him and the Agency Counselor, to implement this program upon its inception on April 1, 1988. At the policy level, Administrator Woods represents A.I.D. on the National Security Council when it is considering Humanitarian Assistance. Task Force Director Ted D. Morse represents A.I.D. at the Inter-agency Group on Nicaragua chaired by the Assistant Secretary of State for Inter-American Affairs.

In compliance with the law and in the spirit of the Sapoa Agreement and subsequent peace initiatives, A.I.D. continues to keep the Resistance forces in Honduras supplied with food, clothing, medical supplies and services and shelter. No deliveries have been possible in Nicaragua. Therefore, A.I.D. has been providing cash-for-food to address the minimum needs for essential provisions for those Resistance members inside Nicaragua and to enable others to return to Nicaragua. A.I.D. also has been providing for human rights training and training to improve the Resistance's management of humanitarian aid. In addition, A.I.D. has initiated through the Resistance a modest reforestation effort in Honduras to protect the environment in areas where the Resistance is located. A.I.D. is providing

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limited assistance to the Southern Front in Costa Rica, as the host country government permits. The Indian Resistance force known as Yatama also is receiving a full complement of humanitarian aid.

A.I.D. contracts with commercial trucking and air cargo firms to deliver the food and other supplies in Honduras, and the contents of deliveries are verified as nonlethal by representatives of the Honduran Catholic Church. All operations are being monitored by Congress' General Accounting Office, the A.I.D. Inspector General's Office and the private accounting firm Price Waterhouse. A.I.D.'s satisfactory administration of the program has been cited in draft audit reports on the implementation of the program during the first phase from the A.I.D. Inspector General's Office, Price Waterhouse and the General Accounting Office. The draft reports were favorable considering the complexity of the program. They highlighted pertinent matters, some of which require further attention, but the reports contain no recommendations.

The principles of openness and accountability guide the program. A.I.D. keeps both Congress and the public informed about its activities. Congressional oversight committees -- Senate and House Appropriations, Senate Foreign Relations and House Foreign Affairs -- receive regular briefings. In addition, the Senate and House Intelligence Committees and the House Select Committee on Hunger receive briefings on the program.

During the first six months, A.I.D. and the Resistance established a strong working relationship, laying the foundation for continued cooperation. Under the current legislation, humanitarian aid programs begun on April 1, 1988, were expanded and improved where necessary. The impact of these programs has been significant. Morale within the Nicaraguan Resistance remains high, and the Resistance has maintained itself as a viable organization in support of the Sapoa process and recent diplomatic initiatives for irreversible democratic reforms and a lasting peace agreement in Nicaragua.

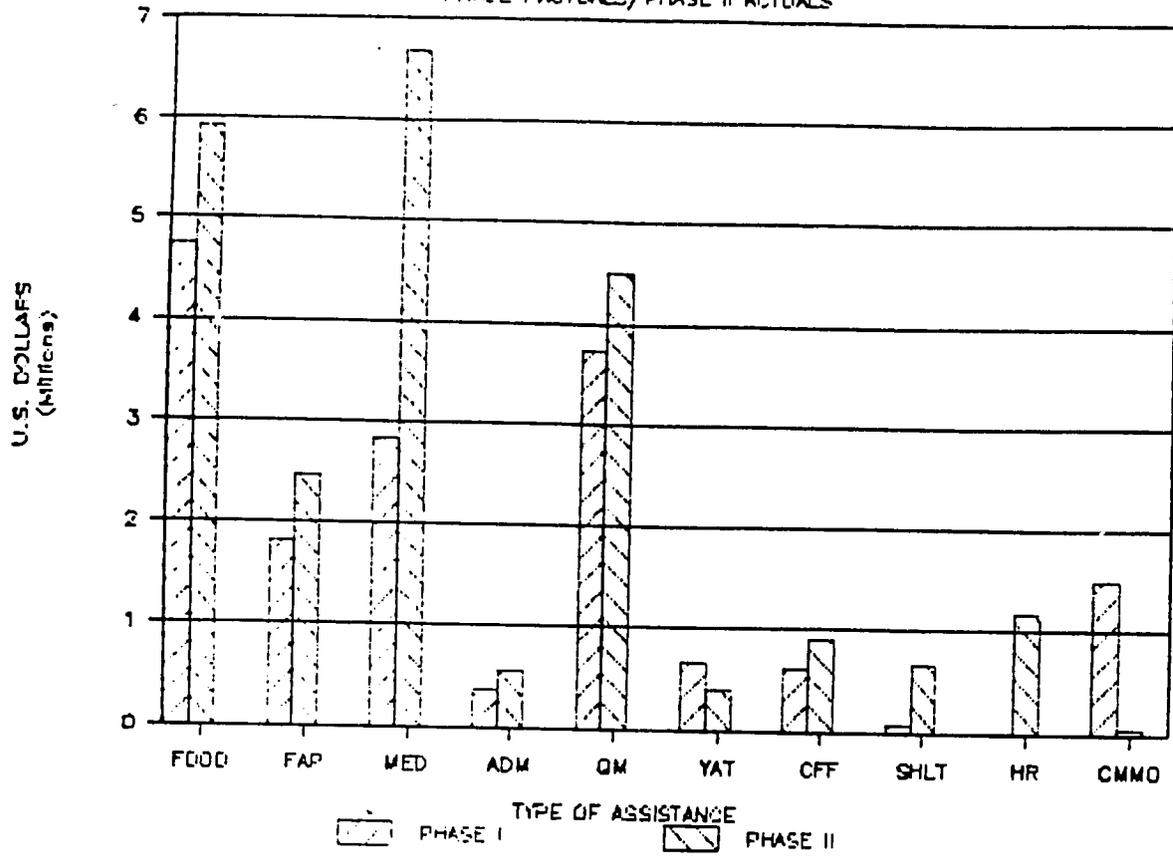
Between October 1 and March 31, A.I.D. obligated \$23.35 million of the authorized \$27.14 million in humanitarian assistance. After consulting with Congress, a portion of these obligated funds from the \$27.14 million was used to provide humanitarian assistance to the Resistance through the month of April. (The balance has been returned to the U.S. Treasury.)

Program Elements: Humanitarian Assistance

During the second phase of operation, A.I.D. and the Resistance have sought to streamline their procedures for

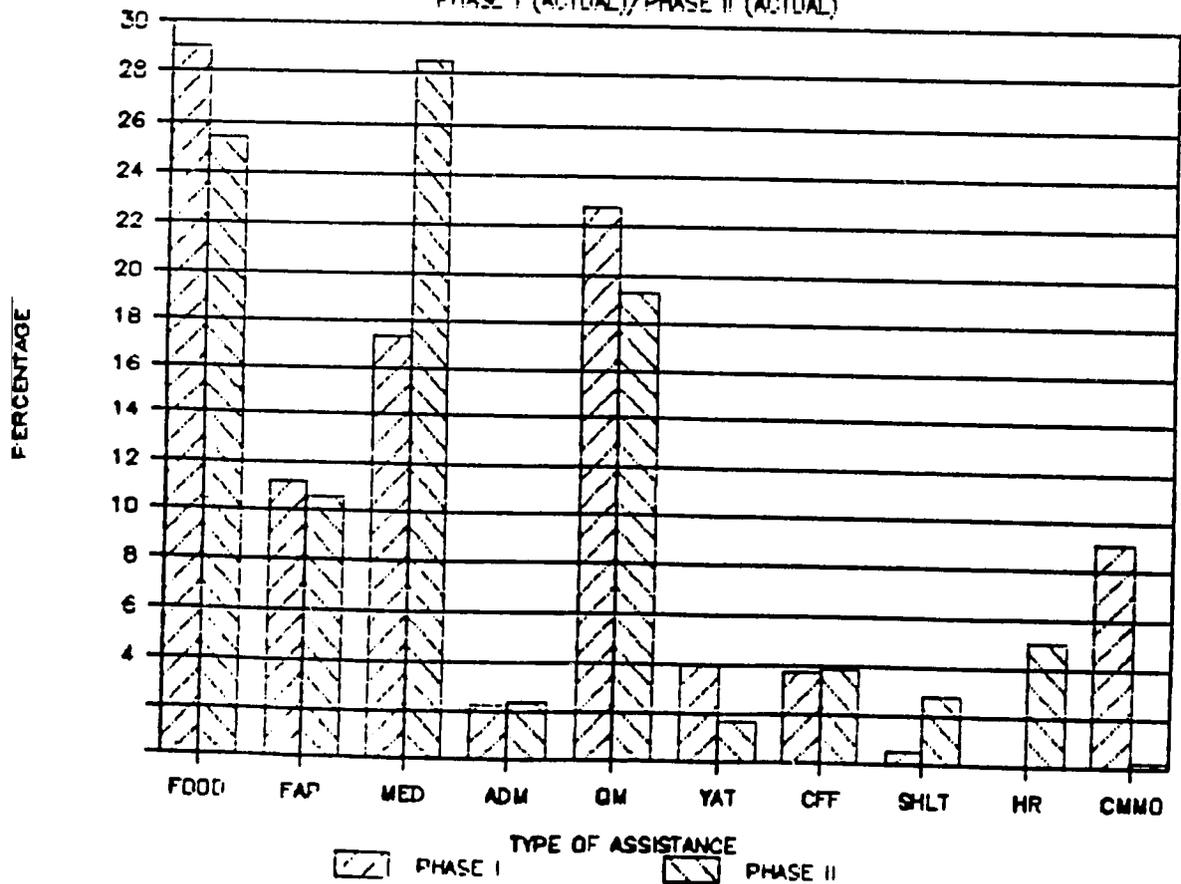
COMPARISON OF PHASES I & II BY CATEGORY

PHASE I ACTUALS / PHASE II ACTUALS



PERCENTAGE ALLOCATIONS BY CATEGORY

PHASE I (ACTUAL) / PHASE II (ACTUAL)



LEGEND

- FOOD Food
- FAP Family Assistance Payments
- MED Medical Supplies & Services
- ADM Administrative Support
- QM Clothing
- YAT Yatama
- CFF Cash-for-Food
- SHLT Shelter
- HR Human Rights Training
- CMMO Communication Equipment (Ph. I) Batteries/ existing equipment (Ph. II)

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ordering, storing and distributing humanitarian aid. During this period, marked improvements have been made in the Resistance's ability to manage the humanitarian supplies it receives. Seminars and "hands-on" training in warehousing, basic computer use and inventory methods among other subjects have paid dividends in virtually all program areas. In the Resistance warehouses, for example, a new control system enables A.I.D. and the Resistance to better monitor the flow of commodities from suppliers to the field. In the medical area, overall administration has been improved, resulting in improved care for patients, better handling of medicines and upgraded facilities. Resistance members who have duties related to delivering the humanitarian aid, mostly illiterate rural peasants aged 24 and under, have proven to be conscientious and capable trainees, which has translated into improved program performance.

Food: The most nutritious, readily available, reasonably priced supplies of foodstuffs -- including rice, beans, plantains, and meat -- have been procured in the region. In January, A.I.D. authorized an increase in the Resistance combatant food ration to allow for the purchase of vegetables to round out their diet. Honduran commercial trucking firms and a Honduran air cargo company, under contract to A.I.D., deliver food and other humanitarian supplies. One small bridge that was an obstacle during the last rainy season is being upgraded this dry season. On February 25, the DC-6 under contract to A.I.D. crashed while returning to Tegucigalpa after a routine air drop of food and fuel in Eastern Honduras. The crew of ten was killed in the crash.

Commercial sea transport is used to deliver humanitarian assistance to the Yatama in the Mosquitia, which is most readily accessible by water. Honduran Catholic Church priests, nuns and lay people provide impartial verification of the content of deliveries.

More than \$6 million has been obligated to meet the basic food needs of combatants and their families in Honduras since October 1. Approximately 4,160 metric tons of food valued at \$5.3 million were delivered, including \$257,000 worth of food for Yatama forces in remote areas of eastern Honduras. Because the road to Yatama's encampment is impassable during the rainy season, jeopardizing the timely delivery of food and other humanitarian aid, A.I.D. approved upgrading the drainage structures to all-weather status in January. The cost of the road repair is estimated at \$290,000.

Cash-for-Food: A major obstacle in delivering humanitarian assistance has been the inaccessibility of the Resistance forces located inside Nicaragua. To enable Resistance forces of the Northern, Atlantic and Southern fronts inside Nicaragua to purchase minimum essential items and enable others to return

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to Nicaragua, A.I.D. has been providing measured amounts of cash in the form of cordobas to purchase minimal essential goods, such as food, to the Resistance for delivery to units inside that country.

Currency is less bulky and easier to transport than food and allows for the purchase of perishable goods on the local market. A.I.D. purchases cordobas outside Nicaragua at a competitive exchange rate to be distributed to the Resistance. Payments do not exceed the equivalent of \$1 per day, per person, for a 30-day period. The amount of cordobas provided is based on a low-income market basket survey in Nicaragua, periodically adjusted for inflation to protect this minimal purchasing power. The unprecedented economic deterioration in Nicaragua under the Sandinista regime has resulted in a dramatic decline in purchasing power of the cordoba. While the provision of cordobas alleviates some of the most pressing problems associated with obtaining food inside Nicaragua, five-digit inflation consistently places returning Resistance combatants -- as well as other Nicaraguan citizens -- behind the buying curve.

Clothing: During Phase II, A.I.D. has supplied Resistance forces with \$4.2 million worth of standard military attire. This quartermaster gear includes: fatigues, boots, ponchos, field packs, canteens and mess kits. Resistance members received two sets of clothing and a replacement for worn non-expendible items such as mess kits. The gear is procured through the Department of Defense (DOD). With the elimination of monthly ceilings on spending that were required under the first phase of operation, A.I.D. has been able to reduce the frequency and increase the size of quartermaster purchases and deliveries. Because the size of each shipment has more than doubled, a streamlined delivery system has been implemented. Rather than transporting goods from the United States to Honduras on C-130 planes, goods are transported to Honduras on the larger C-141 plane, then shuttled into Tegucigalpa's airport on C-130s and delivered via commercial trucks and contracted aircraft to Resistance units. This delivery mechanism saves about \$45,000 per delivery.

More than \$224,600 worth of the quartermaster procured during Phase II has been delivered or is destined for the Yatama units.

Family Assistance Payments: Family assistance payments are being provided to senior Resistance members and specialists to defray basic family living expenses. In consultation with Congress, in January A.I.D. authorized an increase of 141 people eligible for family assistance payments. The new additions began receiving family assistance in March for the months of January and February. The total dollar amount distributed was not increased.

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About 2,300 people residing in Honduras received approximately \$457,000 in family assistance payments in March for the months of January and February. About 40 people residing in Miami received a total of \$82,000 in family assistance support for these two months. Family assistance payments to 127 Resistance families living in Costa Rica amounted to \$97,600 for the same period. Payments to 164 Yatama members in Honduras account for \$33,500 for each of these months. The tax status of all recipients of family assistance payments is being determined and, where appropriate, U.S. tax will be withheld from the payment.

Medical supplies and services: Resistance members and their families in Honduras and Costa Rica receive medical assistance. In Honduras, A.I.D. supports the medical services system established by the Resistance for its troops, support personnel and dependents. A.I.D. funds support critical medical services and local procurement of urgently needed medical supplies, and provide for specialized care in the United States.

After consulting with the Resistance Medical Corp, in mid-October TFHA carefully reviewed the medical needs of the Resistance and identified areas for continued or increased assistance during Phase II. As a result, a contract with the International Medical Corps (IMC) for \$3 million was signed on December 5, 1988, to provide specialized care, referral services in the United States, medical care for the Yatama, prosthetic devices and medical equipment.

Substantial progress has been made in the medical program. Concerns ranging from the need for improved sanitation at the rehabilitation facility to coffins for the deceased have been addressed. An immunization program has begun, which already has reached more than 5,800 men, women and children. The backlog of surgical cases has been treated, and 144 Resistance personnel have been fitted with artificial limbs. An ophthalmologist is providing eye care. At the medical warehouse, new shelving, electricity, physical improvements and a cardex inventory system have been put in place. The cardex system has enabled the first comprehensive inventory of the facility.

Medical services to the Yatama in the Mosquitia region of Honduras have improved significantly. Three physicians, a nurse and a full-time program coordinator have been employed to administer to Yatama's medical needs. A clinic was established at Auka to serve Yatama combatants and families in the area. In addition, an outreach program is under way in which the doctors travel to settlements along the rivers to see Yatama families. In March alone, about 700 Yatama combatants and family members were served.

An integral part of the medical program is technical assistance to Resistance Medical Corps physicians and paramedics to improve the delivery of medical services and the management of the medical system. Training to deliver basic first aid is being provided through a contract with Creative Associates, Inc. These contracts have been extended to May 31 to assure continuity of services.

In February, A.I.D. procured \$1 million worth of pharmaceuticals and medical supplies from the Veterans Administration. Some \$600,000 worth was delivered during the final week of March. A.I.D. also purchases more urgently needed and readily available medical supplies off-the-shelf in Honduras for the Resistance Medical Corps. About \$1.3 million worth of medicine was provided to the Resistance during Phase II.

In Costa Rica, A.I.D. funds support a small medical care system consisting of a private clinic, private practitioners and a recuperation facility for injured and ill Resistance personnel. Some \$675,100 has been obligated during Phase II to support the Costa Rica medical program through April.

Communications: The purchase of communications equipment is no longer authorized. Expenditures for batteries for existing equipment are authorized under the current legislation. Under Phase II, \$55,400 worth of batteries were procured. In addition, communications equipment purchased during the first phase of operation was delivered. That equipment is valued at about \$963,000.

Human Rights: P.L. 100-463 authorizes "nonmilitary 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." A.I.D. has provided funds to the Nicaraguan Association for Human Rights (ANPDH) and the Nicaraguan Resistance to carry out human rights training activities.

On December 30, 1988, A.I.D. approved a cooperative agreement for \$490,000 with ANPDH to provide human rights training to the Resistance. ANPDH is a nonprofit, independent group that has trained, monitored, investigated and reported on the human rights record of the Resistance for two years under a State Department grant. ANPDH has trained about 1,500 persons between October 1, 1988 and January 1, 1989, and A.I.D. is reimbursing up to \$100,000 for acceptable costs incurred for that authorized activity. The grant funds instruction through May 31, 1989, to an additional 6,000 persons. Instruction includes a basic course for those without prior training and a more advanced class for officers, military police and others who have attended previous human rights courses. A special course for human rights observers also is being offered. In

all, 3,400 Resistance combatants have been trained since October 1.

In January, a \$178,020 grant agreement was signed with the Nicaraguan Resistance to provide instruction on the Resistance's Code of Conduct and explain the operation of the military justice system.

A.I.D. provided appropriate support, including transportation and clothing, to facilitate the December 23 release by the Resistance of 104 prisoners to Honduran government authorities.

The Nicaraguan Resistance and the Nicaraguan Association for Human Rights, working with the State Department office that has primary responsibility in these matters, have been investigating and prosecuting persons accused of gross violations of human rights.

On March 24, after weeks of investigation, a Resistance tribunal found four persons guilty of human rights abuses, one commander guilty of complicity in an abuse, and one commander guilty of concealing an abuse. Five other persons were found innocent. The tribunal is continuing its inquiry in two other cases.

The six persons found guilty of abuses were expelled from the Resistance, and relevant evidence and testimony were turned over to Honduran authorities. Two persons are exercising their right, under the Resistance's Code of Conduct, to appeal the tribunal's verdict. Of the six convicted, two were receiving family assistance payments.

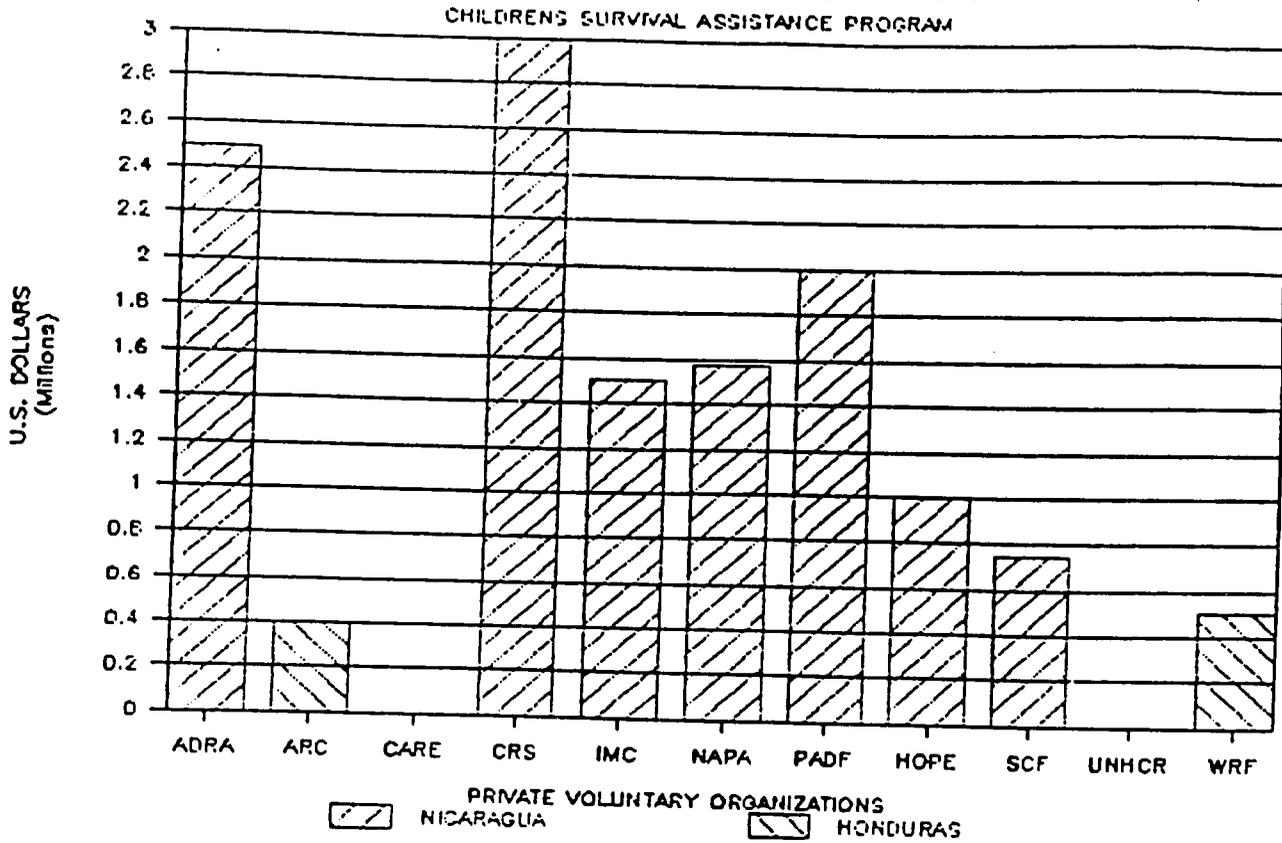
A.I.D. has a policy, which is being strictly enforced, that any person judged guilty of a gross violation of human rights (and who has exhausted the right to appeal) is barred from receiving any form of assistance through the U.S. humanitarian assistance program. That individual's family also loses eligibility under the family food program. Any person suspended pending investigation or any person appealing a verdict (and their families) can receive daily rations pending outcome of the investigation or appeal; however, any family assistance payments are deferred pending outcome of the investigation or appeal.

Children's Survival Assistance Program

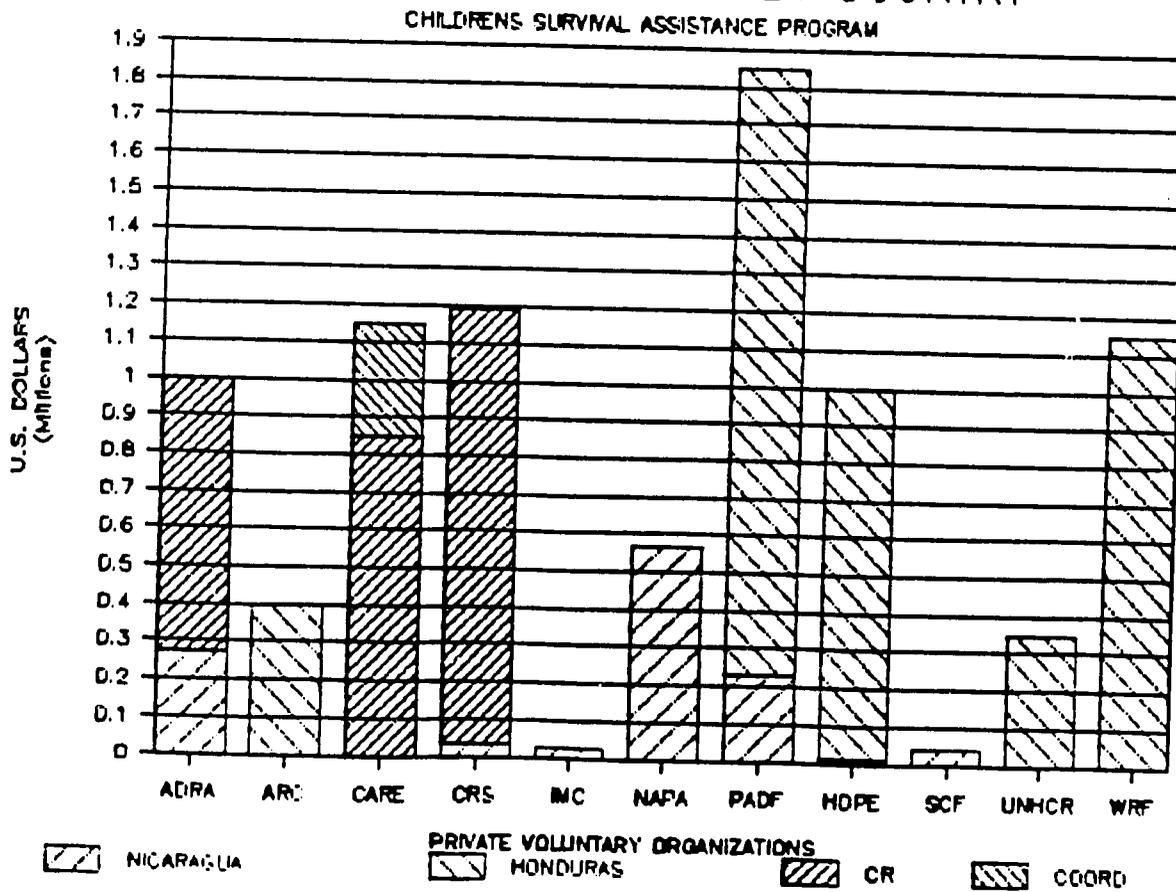
A major component of the first law provided \$17.7 million for medical and related care to children affected by the Nicaraguan civil strife. No additional funds for these activi-

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ORIGINAL ALLOCATION BY COUNTRY



CURRENT OBLIGATIONS BY COUNTRY



ties were authorized under the new law; however, implementation of efforts begun under the previous legislation continue.

The April 1st legislation mandated that assistance to children be channeled only through nonpolitical private and voluntary organizations (PVOs) or international relief organizations. 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. In retaliation for Congress authorizing new humanitarian assistance, on October 6 the Sandinista-dominated National Assembly enacted legislation outlawing acceptance of certain U.S. Government assistance, including the children's survival program. The penalty for violation of this law is from 4-12 years imprisonment, the equivalent of the punishment for treason.

The commodities purchased and/or shipped with CSAP funds in Nicaragua at the time of the suspension included medicines, vehicles, office equipment, clothing, food and personal hygiene items. The majority of the purchased items were moved out of Nicaragua and are being used in alternative CSAP-related activities in Costa Rica or Honduras. Approximately \$1.2 million of CSAP goods and services were delivered for Nicaragua before the October termination. The items purchased with A.I.D. funds left in Nicaragua (a small amount of food, a boat, a motor and some office equipment) are under the control of the PVOs and will be used in their privately funded activities. The donated goods shipped with CSAP funds remain in Nicaragua and are being distributed by the PVOs through their own networks.

The Children's Survival Assistance Program continues in Honduras, where the American Red Cross has been delivering supplemental food to between 100 and 150 children twice a week through the Honduran Red Cross' Glass-of-Milk-a-Day feeding program. The organization is also distributing other commodities (clothing, blankets, personal hygiene items) to approximately 8,000 beneficiaries in El Paraiso and the Mosquitia. The World Rehabilitation Fund has treated approximately 725 individuals in need of prosthetic devices or other rehabilitative services.

During the reporting period, the Task Force approved a revised proposal from the Pan American Development Foundation (PADF), which refocused rehabilitative surgery services from Nicaragua to the Adventist Hospital just outside Tegucigalpa, Honduras. PADF is reimbursing the hospital for surgeries, which are being done a fee-for-service basis, beginning on March 22.

The Task Force also approved a revised proposal from Project Hope for its CSAP activity in Honduras. Services will

include providing medicines and making repairs at Ministry of Health facilities and training community health workers. An initial implementation team is expected to arrive in Honduras by mid-April.

The National Association of the Partners of the Americas (NAPA) has submitted a second revised proposal to refocus its Nicaragua activity to Honduras and Costa Rica. AID/Washington is reviewing the proposal for compliance with CSAP legislative requirements.

In Costa Rica, Catholic Relief Service (CRS) will soon be delivering medicines to an additional six Ministry of Health clinics. A total of 52 clinics in Costa Rica are now receiving pediatric medicines originally destined for clinics in Nicaragua. To date, approximately 1,200 children have benefited from this program. CRS' request for an extension until September 30 was also approved.

Verification Commission

A Verification Commission consisting of Joao Baena Soares, Secretary General of the Organization of American States (OAS), and Cardinal Miguel Obando y Bravo, leader of the Nicaraguan Catholic Church was established by the Sapoa Accord, and \$10 million in support was authorized by P.L. 100-273. 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 and provision of amnesty.

While verification of activities inside Nicaragua such as nonlethal aid and operation of cease-fire zones will not commence unless a cease-fire accord is finalized, Verification Commission members have made necessary advance preparations and have monitored other aspects of the Sapoa Agreement including the truce, freedom of expression and human rights. Commission member Obando y Bravo has established the necessary regional offices, organized a corps of observers, conducted a training workshop for observers and zonal support crew members, purchased equipment and verified activities inside Nicaragua.

On March 17, the Government of Nicaragua pardoned nearly 1,900 former members or supporters of the defunct National Guard who have been incarcerated since 1979. The prisoner release was witnessed by the Verification Commission. Not all former guardsmen had been released as called for in the Tesoro Beach Communique and the Sapoa Accord. The Government of Nicaragua failed to release an additional 39 jailed guardsmen, claiming they posed a threat to society and needed more "re-education." Secretary General Baena Soares attended the ceremony.

Representing the Cardinal was Monsignor Busco Vivas, Auxiliary Bishop of Managua.

About \$1.8 million had been spent by the Commission since the program began last fiscal year through January 1989. Declining expenditures between October 1, 1988 and January 31, 1989 have been approximately \$440,000.

In January, the Commission submitted a draft agreement to the Government of Nicaragua that sets forth the conditions, guarantees and privileges for the Commissions work, such as freedom of movement and protection of personnel and property. The Government of Nicaragua has yet to respond. A.I.D. has asked both the OAS and the Cardinal to return funds advanced to them that are in excess of their current needs to carry out their at present limited activities. Those excess funds were returned to A.I.D. in February.

A.I.D. authorized the resale by Cardinal Obando y Bravo of vehicles and equipment procured for use by the Commission in Nicaragua and never released by Nicaraguan customs. Sale proceeds will be returned to A.I.D.

Training for Distribution Systems

Task Force experience as well as audits of the delivery system have 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.

On December 23, A.I.D. signed a \$1 million contract with Creative Associates Inc. to help the Resistance improve its management performance. The contract was increased by \$500,000 in March to finance training programs in the Mosquitia and Costa Rica. The objective is to assure the more efficient, verifiable delivery of A.I.D. assistance through "hands-on," competency-based training of Resistance personnel in areas where administrative and management weaknesses are apparent.

Tremendous strides already have been made as a result of the training. For example, organization within Resistance warehouses has improved, recordkeeping at various points in the distribution system has been intensified and vehicles used to distribute humanitarian aid are being regularly serviced by better-trained mechanics. In all, about 450 Resistance members had completed training in areas such as accounting and book-keeping, mule maintenance, clerical skills, typing, warehouse management, computer use and radio operation and maintenance as of March 31.

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Functional support also is being provided through training in such areas as emergency first aid and basic sanitary engineering. In addition to improved health and sanitation, this training also helps to ensure effective use of the humanitarian aid being supplied. Paramedic kits, for example, are being distributed in tandem with "refresher courses" in the use of medicines and medical supplies contained in the paramedic kits. This support will be extended as needed to strengthen the Resistance's health and sanitation training mandated under the law.

The Government of Costa Rica approved a skills training program for seriously disabled veterans treated at the resistance recuperation center. Training will be conducted in two existing training centers, one run by the Government of Costa Rica, one run by a private Costa Rican organization.

In late January, Creative Associates visited the Mosquitia to identify training requirements and design programs to improve the Yatama's capacity to maintain, distribute and account for A.I.D. assistance. The first courses in accounting, small motor and radio repair, typing and clerical skills were held in early March and were met with enthusiasm. Attendance has been high and the Yatama have since proposed additional courses and potential participants.

Operations

Forty-nine A.I.D. employees and contractors are currently assigned to the Task Force on Humanitarian Assistance, directed by Ted D. Morse, with Robert Meighan as Deputy Director. The Task Force's core staff of 17 persons is located in Washington, D.C. The Honduran field office is headed by William Schoux. In Costa Rica, the Task Force is represented by one A.I.D. officer, Ray Baum, who manages the humanitarian assistance program in that country.

ATTACHMENT A.1

Assistance Provided October 1, 1988 - March 31, 1989

	<u>Obligations</u>	<u>Estimated Accrued Expenditures*</u>
<u>HUMANITARIAN ASSISTANCE</u>		
Food	\$ 6,193,540	\$ 5,289,190
Cash-for-Food	914,642	917,681
Family Assistance Payments	2,464,876	1,711,021
Clothing	4,506,163	4,244,472
Medical Supplies and Services	6,761,380	3,914,596
Shelter	666,169	414,824
Program Support	614,542	497,810
Communications	55,397	1,018,821
Roads	504,778	13,464
Human Rights Training	<u>668,020</u>	<u>240,590</u>
TOTAL HUMANITARIAN ASSISTANCE	\$23,349,507	\$18,262,469
TRANSPORTATION	\$ 2,625,596	\$ 1,857,279
=====		
VERIFICATION COMMISSION**	\$10,000,000	\$ 1,978,234
=====		
CHILDREN'S SURVIVAL ASSISTANCE PROGRAM**	\$13,355,000	\$ 4,559,720
=====		

*Obligations are shown for the period October 1, 1988 - March 31, 1989. Expenditures shown for this period were from funds obligated in both in Phase I (April 1 - October 30) and Phase II (October 1 - March 31). Thus, in some instances, expenditure figures may be higher than the obligation figures.

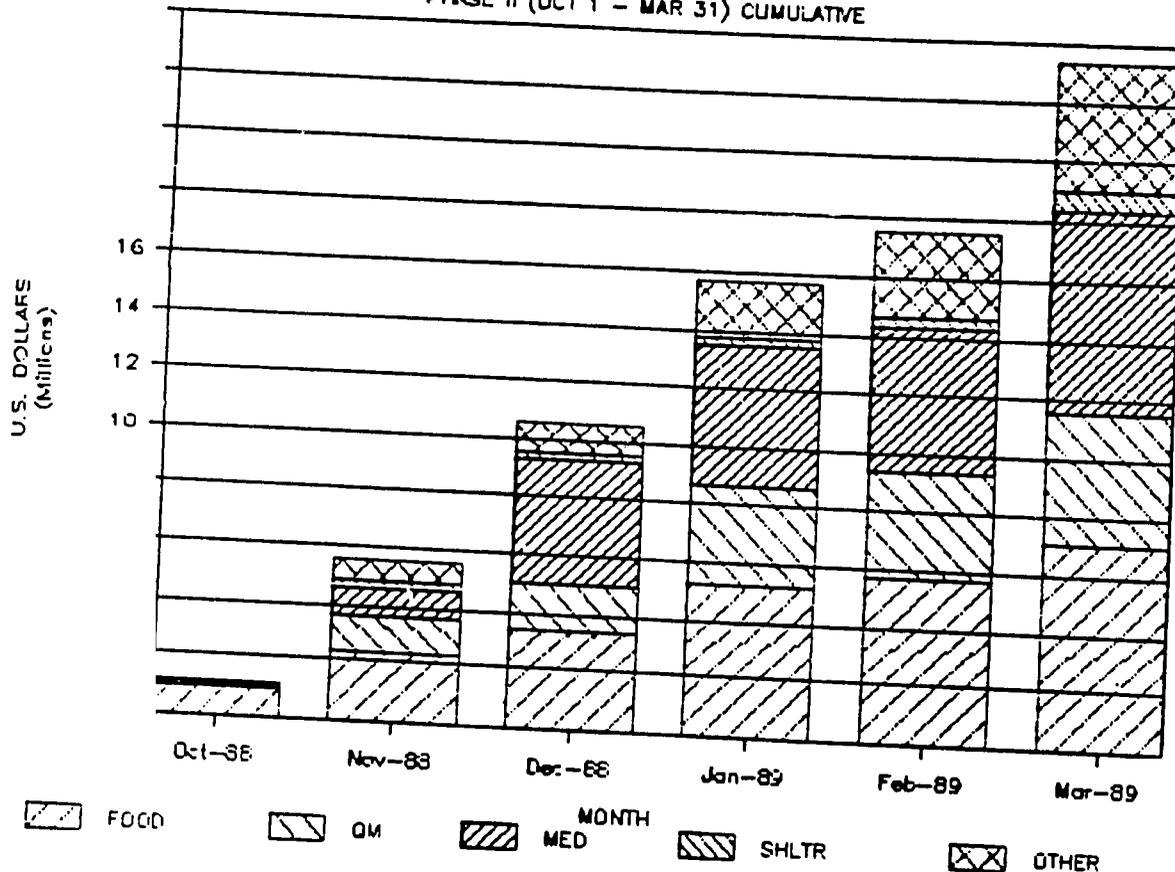
**Cumulative since April 1, 1988.

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HUMANITARIAN ASSISTANCE

OBLIGATIONS BY FUNDING CATEGORY

PHASE II (OCT 1 - MAR 31) CUMULATIVE



"Other" includes Family Assistance Payments, human rights training, administrative support, communications batteries, and access roads.

Children's Survival Assistance Program
(\$000)

<u>Organization</u>	<u>Original Funding</u>	<u>Original Country</u>	<u>Adjusted Funding</u>	<u>Current Countries</u>	<u>Amount Currently Attributable To Nicaragua</u>
ADRA	\$2,500	Nicaragua	\$1,000	None	\$ 275
ARC	400	Honduras	400	Honduras	0
CARE	1,000	Coord. Unit/ Country Assess.	1,150	Coord. Unit/ Costa Rica	35
CRS	3,000	Nicaragua	1,200	Costa Rica	38
IMC	1,500	Nicaragua	25	None	25
NAPA	1,580	Nicaragua	601	None (Assumes no new activities)	601
PADF	2,000	Nicaragua	1,850	Honduras	230
Project Hope	1,000	Nicaragua	1,000	Honduras	10
SCF	700	Nicaragua	40	None	40
UNHCR	350	Honduras	350	Honduras	0
WRF	500	Honduras	1,150	Honduras	0
Total	\$14,530		\$8,766		\$1,254

Note: Approximately \$1.2 million remains available to support activities in Honduras and Costa Rica.

ATTACHMENT C

Task Force on Humanitarian Assistance (TFHA)
Staffing as of March 31, 1989

Listed below are staff members currently assigned to the Task Force in Washington, Honduras and Costa Rica.

A. A.I.D. Washington Staff (17)

Ted D. Morse	Director
Robert Meighan	Deputy Director
Roger Noriega	External Affairs
Terry Barker	Senior Program Officer
Don Soules	Program Officer
Linda Tarpeh-Doe	Controller
Edward Rhatigan	Executive Officer
Diane Kirk	Administrative Assistant
Regina Coleman	PVO Liaison Officer
Sharon Isralow	Project Officer - Quartermaster/Yatama
Frank Moncada	Senior Procurement Officer
Alfred Barr	State Liaison Officer
Vickie McBee	Secretary
Colomba Chow	Secretary
Billie Hall	Secretary
Nina Campbell	Clerk-Typist
Monique Lewis	Clerk-Typist

B. Honduras Staff (31)

William Schoux	Director, Field Operations
Don Enos	Deputy Director, Field Operations
Keith Romwall	Controller
Ed Baker	Field Operations Officer
Steve Haynes	Project Manager
Leonel Pizarro	Contracts Officer
Lynn Sheldon	Field Operations Officer
Steve Smith	Program Officer
Francisco Zamora	Project Manager - Health
Brett Miller	Executive Officer (PSC)
Rolando Acosta	Project Manager (PSC)
Frank Valva	Project Manager (PSC)
Sandra Boring	Procurement Assistant (PSC)
Clarence Czaia	Deputy Controller (PSC)
Robert Herald	Air Operations Coordinator (PSC)
Lulu Lambrano	Chief Accountant, Coordinator (PSC)
Evelyn Ochoa	Accountant (PSC)
Cathy Quiros	Accountant (PSC)
Teresa Bendana	Voucher Examiner (PSC)
Rosario Cordoba	Voucher Examiner (PSC)
Elmer Trejos	Voucher Examiner (PSC)
David Zaccaro	Purchasing Agent (PSC)
Marta Larios	Project Assistant (PSC)
Miriam Lopez	Voucher Clerk (PSC)
Ibtisama F. Bradley	Secretary (PSC)

Mitzi Pita	Secretary (PSC)
Wanda Strum	Secretary (PSC)
Mari Trochez	Secretary (PSC)
J.C. Molina	Administrative Assistant (PSC)
Juan Berlioz	Clerk/Messenger (PSC)
Alain Dewitt	Data Entry Clerk (PSC)

C. Costa Rica (1)

Ray Baum	Program Manager - Costa Rica
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(P8)

PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS

09-Jan-90

GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)

DESCRIPCION	PRESUPUESTO MENSUAL (LEMPIRAS)	PRESUPUESTO (LEMPIRAS)	
		ALIMENTOS	ROPA
2. PAPELERIA	23,000	18,400	4,600
3. ALQUILER DE VEHICULOS			
OFICINA AYUDA FAMILIAR (2)	4,600	3,680	920
OFICINA DE FINANZAS	2,300	1,840	460
OFICINA DE FINANZAS (FAP=9DIAS)	1,600	1,280	320
CASA DE COMUNICACIONES	2,300	1,840	460
SUMINISTROS (3)	7,100	5,680	1,420
CASA DE LOS KIKERES	2,300	1,840	460
YAMALES (6)	13,800	11,040	2,760
SUBTOTAL ALQUILER DE VEHICULOS	34,000	27,200	6,800
4. GASTOS DE TRANSPORTE			
MANTENIMIENTO DE VEHICULOS	35,000	28,000	7,000
COMBUSTIBLE Y LUBRICACIONES	40,000	32,000	8,000
MANTENIMIENTO DE MULAS	6,000	4,800	1,200
SUBTOTAL GASTOS TRANSPORTE	81,000	64,800	16,200
5. IMPREVISTOS ADMINISTRATIVOS	14,685	11,748	2,937
TOTAL GASTOS ADMINISTRATIVOS.....	176,000	140,800	35,200
EQUIVALENCIA EN DOLARES.....	88,000	70,400	17,600

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ELTER COSTS	AMOUNT (LEMPIRAS)	
6. LODGING COSTS	ONE MONTH	FOUR MONTHS
EXECUTIVE HOUSE		
RENT	1,700	6,800
ELECTRICITY	200	800
WATER	100	400
TELEPHONE	700	2,800
SUBTOTAL.....	2,700	10,800
KICKERS HOUSE		
RENT	1,000	4,000
ELECTRICITY	100	400
WATER	75	300
SUBTOTAL.....	1,175	4,700
MECHANICS HOUSE		
RENT	1,600	6,400
ELECTRICITY	150	600
SUBTOTAL.....	1,750	7,000
COMMUNICATIONS HOUSE		
RENT	600	2,400
ELECTRICITY	100	400
WATER	50	200
SUBTOTAL.....	750	3,000
TRANSIENT QUARTERS (R&R)		
RENT	900	3,600
ELECTRICITY	125	500
TELEPHONE	100	400
WATER	100	400
SUBTOTAL.....	1,225	4,900
SUBTOTAL LODGING COSTS.....	7,600	30,400
7. SHELTER MATERIALS COSTS		
BUILDING MATERIALS	15,000	60,000
PLASTIC	15,000	60,000
TOOLS	10,000	40,000
CHAIN SAW MAINTENANCE	6,000	24,000
SUBTOTAL SHELTER MATERIALS COSTS	46,000	184,000
8. SHELTER CONTINGENCIES	6,400	25,600
TOTAL SHELTER COSTS.....	60,000	240,000
DOLLAR EQUIVALANT.....	30,000	120,000

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C. 20523

PHASE III

PROGRAM SUPPORT

LETTER AGREEMENT

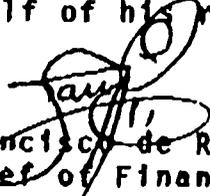
Amendment 5

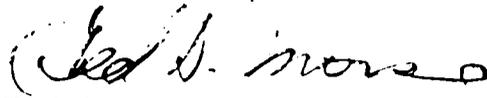
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LTD
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Date: January 16, 1990

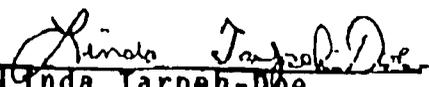
This is to amend the Phase III Program Support Letter Agreement between the Agency for International Development (A.I.D.) and the Nicaraguan Democratic Resistance (NDR) dated May 5, 1989 to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program. The Agreement is hereby amended to include the following changes:

1. The Grant is increased by \$147,000 (One Hundred Forty Seven Thousand United States Dollars) which when added to the obligations already made under this agreement totaling \$1,321,000 (One Million Three Hundred Twenty-One Thousand United States Dollars) will increase the maximum to \$1,468,000 (One Million Four Hundred Sixty-Eight Thousand United States Dollars). These funds are to be used to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program, in accordance with the illustrative budget attached to this amendment.
2. Funds provided under this amendment are to be used to cover necessary and reasonable costs as shown in the attached budget incurred up to February 28, 1990.
3. All other terms and conditions of the original agreement remain in full force and effect, and apply equally to this amendment. Each of the undersigned individuals represents that he is fully authorized to execute this agreement on behalf of his respective organization.


Francisco de Ruiz
Chief of Finance
Nicaraguan Democratic Resistance


Ted D. Morse
The Government of United
States of America
through the
Agency for International Development

Funds Available:


Linda Tarpoh-Dee,
TFHA/Controller

FISCAL DATA:

Letter Agreement No.: 594-0006 A 00-9801-05
Appropriation No.: 72-119/01038
Budget Plan Code: VRR99029594HG84
Project No.: 594-0005.00

<u>Funding Category</u>	<u>Element Number</u>	<u>Reservation Control No.</u>	<u>Amount</u>
Program Support	61	P961000	\$ 88,000
Shelter	76	S976000	\$ 36,000
Medical	58	M958000	\$ 23,000
TOTAL.....			\$147,000

MONTHLY PROGRAM SUPPORT GRANT BUDGET

09-Jan-90

ADMINISTRATIVE COSTS (FOOD/CLOTHES)

LINE ITEMS	MONTHLY AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION	
		FOOD	CLOTHING
1. OFFICE BUILDING COSTS			
SUPPLY OFFICE (SUMINISTROS)			
RENT	3,500	2,800	700
ELECTRICITY	450	360	90
WATER	150	120	30
TELEPHONES (2)	4,000	3,200	800
COPIER	1,250	1,000	250
SUBTOTAL SUPPLY OFFICE.....	9,350	7,480	1,870
WAREHOUSE			
RENT	2,500	2,000	500
ELECTRICITY	300	240	60
COPIER:SUMINISTROS WAREHOUSE	400	320	80
COPIER:AID WAREHOUSE	400	320	80
WATER	85	68	17
TELEPHONE	150	120	30
SUBTOTAL WAREHOUSE.....	3,835	3,068	767
FINANCE OFFICE (FINANZAS)			
RENT	1,400	1,120	280
ELECTRICITY	300	240	60
WATER	100	80	20
TELEPHONE	2,200	1,760	440
COPIER	1,250	1,000	250
SUBTOTAL FINANCE OFFICE.....	5,250	4,200	1,050
FAMILY FOOD OFFICE, WAREHOUSE & DISTRIBUTION HOUSES			
RENTS	4,050	3,240	810
ELECTRICITY	400	320	80
WATER	100	80	20
TELEPHONE	330	264	66
SUBTOTAL FAMILY FOOD OFFICE.....	4,880	3,904	976
SUBTOTAL OFFICE BUILDING COSTS.....	23,315	18,652	4,663

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ADMINISTRATIVE COSTS (FOOD/CLOTHES)

(CONTINUED)

LINE ITEMS	MONTHLY AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION FOOD	CLOTHING
2. OFFICE SUPPLIES	23,000	18,400	4,600
3. CAR RENTS			
FAMILY FOOD OFFICE (2)	4,600	3,680	920
FINANCE OFFICE	2,300	1,840	460
FINANCE OFFICE (FAP=9 DAYS)	1,600	1,280	320
COMMUNICATIONS HOUSE	2,300	1,840	460
SUPPLY OFFICE (3)	7,100	5,680	1,420
KICKERS HOUSE	2,300	1,840	460
YAMALES (6)	13,800	11,040	2,760
SUBTOTAL CAR RENTS.....	34,000	27,200	6,800
4 TRANSPORTATION EXPENSES			
VEHICLE MAINTENANCE	35,000	28,000	7,000
FUEL & LUBRICATION	40,000	32,000	8,000
MULE MAINTENANCE	6,000	4,800	1,200
SUBTOTAL.....	81,000	64,800	16,200
5. ADMINISTRATIVE CONTINGENCIES	14,685	11,748	2,937
TOTAL ADMINISTRATIVE.....	176,000	140,800	35,200
DOLLAR EQUIVALANT.....	88,000	70,400	17,600

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MONTHLY PROGRAM SUPPORT GRANT BUDGET

09-Jan-90

S H E L T E R C O S T S
 =====
 LINE ITEMS

MONTHLY
 AMOUNT
 (LEMPIRAS)

6. LODGING COSTS

EXECUTIVE HOUSE	
RENT	1,700
ELECTRICITY	200
WATER	100
TELEPHONE	700
SUBTOTAL.....	2,700
 KICKERS HOUSE	
RENT	1,000
ELECTRICITY	100
WATER	75
TELEPHONE	100
SUBTOTAL.....	1,275
 MECHANICS HOUSE	
RENT	1,600
ELECTRICITY	300
SUBTOTAL.....	1,900
 COMMUNICATIONS HOUSE	
RENT	1,000
ELECTRICITY	200
WATER	150
SUBTOTAL.....	1,350
 TRANSIENT QUARTERS (R&R)	
RENT	1,200
ELECTRICITY	140
TELEPHONE	110
WATER	100
SUBTOTAL.....	1,550
 WAREHOUSE WORKERS HOUSE	
RENT	2,500
ELECTRICITY	350
WATER	100
SUBTOTAL.....	2,950
 SUBTOTAL LODGING COSTS.....	11,725

(P4) MONTHLY PROGRAM SUPPORT GRANT BUDGET
 =====

09-Jan-90

SHELTER COSTS
 =====
 LINE ITEMS

MONTHLY
 AMOUNT
 (LEMPIRAS)

7. SHELTER MATERIALS COSTS

BUILDING MATERIALS	20,000
PLASTIC	20,000
TOOLS	10,000
CHAIN SAWS & MAINTENANCE	8,000
FUELWOOD	500

SUBTOTAL SHELTER MATERIALS COSTS 56,500

8. SHELTER CONTINGENCIES 3,776

TOTAL SHELTER COSTS..... 72,000

DOLLAR EQUIVALANT..... 36,000

MEDICAL (MEDICAL CORPS ADMIN)

9. RENTALS, UTILITIES, GUARD	7,350
10. OFFICE SUPPLIES	7,000
11. VEHICLE RENTALS (2)	4,800
12. VEHICLE MAINTENANCE	9,000
13. FUEL & LUBRICANTS	10,000
14. CLOTHING FOR PATIENTS	4,000
15. OTHER (FUELWOOD, BUTANE, LAUNDRY)	1,600
16. MEDICAL CONTINGENCIES	2,250

TOTAL MEDICAL..... 46,000

DOLLAR EQUIVALANT..... 23,000

=====

CATEGORY	MONTHLY	
	LEMPIRAS	DOLLARS
ADMIN	176,000	88,000
SHELTER	72,000	36,000
MEDICAL	46,000	23,000
TOTAL	294,000	147,000

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=====
GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)
=====

DESCRIPCION	PRESUPUESTO		
	MENSUAL (LEMPIRAS)	(LEMPIRAS) ALIMENTOS	ROPA
. GASTOS DE EDIFICIOS DE OFICINAS			

OFICINA DE SUMINISTROS			
ALQUILER	3,500	2,800	700
GASTOS ENERGIA ELECTRICA	450	360	90
AGUA	150	120	30
TELEFONOS (2)	4,000	3,200	800
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL SUMINISTROS	9,350	7,480	1,870
BODEGA			
ALQUILER	2,500	2,000	500
GASTOS ENERGIA ELECTRICA	300	240	60
FOTOCOPIADORA: BODEGA SUMINISTROS	400	320	80
FOTOCOPIADORA: BODEGA AID	400	320	80
AGUA	85	68	17
TELEFONO	150	120	30
SUBTOTAL BODEGA.....	3,835	3,068	767
OFICINA DE FINANZAS			
ALQUILER	1,400	1,120	280
GASTOS ENERGIA ELECTRICA	300	240	60
AGUA	100	80	20
TELEFONO	2,200	1,780	440
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL OFICINA DE FINANZAS.....	5,250	4,200	1,050
OFICINA AYUDA FAMILIAR, BODEGA, Y CASAS DE DISTRIBUCION			
ALQUILER	4,050	3,240	810
GASTOS ENERGIA ELECTRICA	400	320	80
AGUA	100	80	20
TELEFONO	330	264	66
SUBTOTAL AYUDA FAMILIAR	4,880	3,904	976
SUBTOTAL EDIFICIOS DE OFICINAS	23,315	18,652	4,663

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8) PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS

08-Jan-90

GASTOS DE VIVIENDA
 =====
 DESCRIPCION

PRESUPUESTO
 MENSUAL
 (LEMPIRAS)

7. MATERIALES PARA VIVIENDA

MATERIALES PARA CONSTRUIR	20,000
PLASTICO	20,000
HERRAMIENTOS	10,000
MOTO SIERRAS Y MANTENIMIENTO	6,000
LENA	500

CUDTOTAL MATERIALES VIVIENDA 56,500

8. IMPREVISTOS VIVIENDOS 3,775

TOTAL GASTOS PARA VIVIENDAS..... 72,000

EQUIVALENCIA EN DOLARES..... 38,000

GASTOS MEDICOS (CUERPO MEDICO)

ALQUILER, VIGILANCIA, E UTILIDADES	7,350
10. PAPELERIA Y UTILES	7,000
11. ALQUILER DE VEHICULOS (2)	4,800
12. MANTENIMIENTO DE VEHICULOS	9,000
13. COMBUSTIBLE Y LUBRICACIONES	10,000
14. ROPA PARA PACIENTES	4,000
15. OTROS (BUTANO, LENA, LAVAR ROPA)	1,600
16. IMPREVISTOS MEDICOS	2,250

TOTAL GASTOS MEDICOS..... 46,000

EQUIVALENCIA EN DOLARES..... 23,000

=====

TOTAL GASTOS ADMINISTRATIVOS

=====

GASTOS	CADA MES	
	LEMPIRAS	DOLARES
ADMINISTRATIVOS	176,000	38,000
VIVIENDA	72,000	36,000
ME	46,000	23,000
=====	294,000	147,000

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MONTHLY PROGRAM SUPPORT GRANT BUDGET

14-Jun-89

ADMINISTRATIVE COSTS (FOOD/CLOTHES)

LINE ITEMS	MONTHLY AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION	
		FOOD	CLOTHING
I. OFFICE BUILDING COSTS			
SUPPLY OFFICE (SUMINISTROS)			
RENT			
ELECTRICITY	3,500	2,800	700
WATER	450	360	90
TELEPHONES (2)	150	120	30
COPIER	4,000	3,200	800
	1,250	1,000	250
SUBTOTAL SUPPLY OFFICE.....	9,350	7,480	1,870
WAREHOUSE			
RENT			
ELECTRICITY	2,500	2,000	500
COPIER:SUMINISTROS WAREHOUSE	300	240	60
COPIER:AID WAREHOUSE	400	320	80
WATER	400	320	80
TELEPHONE	85	68	17
	150	120	30
SUBTOTAL WAREHOUSE.....	3,835	3,068	767
FINANCE OFFICE (FINANZAS)			
RENT			
ELECTRICITY	1,400	1,120	280
WATER	300	240	60
TELEPHONE	100	80	20
COPIER	2,200	1,760	440
	1,250	1,000	250
SUBTOTAL FINANCE OFFICE.....	5,250	4,200	1,050
FAMILY FOOD OFFICE, WAREHOUSE & DISTRIBUTION HOUSES			
RENTS			
ELECTRICITY	3,500	2,800	700
WATER	400	320	80
TELEPHONE	100	80	20
	330	264	66
SUBTOTAL FAMILY FOOD OFFICE.....	4,330	3,464	866
TOTAL OFFICE BUILDING COSTS.....	22,765	18,212	4,553

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(P2) MONTHLY PROGRAM SUPPORT GRANT BUDGET 14-Jun-89
=====

ADMINISTRATIVE COSTS (FOOD/CLOTHES)
=====

(CONTINUED)

LINE ITEMS	MONTHLY AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION	
		FOOD	CLOTHING
2. OFFICE SUPPLIES	23,000	18,400	4,600
3. CAR RENTS			
FAMILY FOOD OFFICE (2)	4,600	3,680	920
FINANCE OFFICE	2,300	1,840	460
FINANCE OFFICE (FAP=9 DAYS)	1,600	1,280	320
COMMUNICATIONS HOUSE	2,300	1,840	460
SUPPLY OFFICE (3)	7,100	5,680	1,420
KICKERS HOUSE	2,300	1,840	460
YAMALES (10)	24,750	19,800	4,950
TOTAL CAR RENTS.....	44,950	35,960	8,990
4. TRANSPORTATION EXPENSES			
VEHICLE MAINTENANCE	30,000	24,000	6,000
FUEL & LUBRICATION	40,000	32,000	8,000
MULE MAINTENANCE	6,000	4,800	1,200
SUBTOTAL.....	76,000	60,800	15,200
5. ADMINISTRATIVE CONTINGENCIES	9,285	7,428	1,857
TOTAL ADMINISTRATIVE.....	176,000	140,800	35,200
DOLLAR EQUIVALANT.....	88,000	70,400	17,600

(P.3) MONTHLY PROGRAM SUPPORT GRANT BUDGET

14-Jun-89

=====

SHELTER COSTS

=====

LINE ITEMS

MONTHLY
AMOUNT
(LEMPIRAS)

6. LODGING COSTS

EXECUTIVE HOUSE

RENT	1,700
ELECTRICITY	200
WATER	100
TELEPHONE	700
SUBTOTAL.....	2,700

KICKERS HOUSE

RENT	1,000
ELECTRICITY	100
WATER	75
TELEPHONE	100
SUBTOTAL.....	1,275

MECHANICS HOUSE

RENT	1,600
ELECTRICITY	300
SUBTOTAL.....	1,900

COMMUNICATIONS HOUSE

RENT	1,000
ELECTRICITY	200
WATER	150
SUBTOTAL.....	1,350

TRANSIENT QUARTERS (R&R)

RENT	900
ELECTRICITY	140
TELEPHONE	110
WATER	100
SUBTOTAL.....	1,250

WAREHOUSE WORKERS HOUSE

RENT	2,500
ELECTRICITY	350
WATER	100
SUBTOTAL.....	2,950

SUBTOTAL LODGING COSTS.....

11,425

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(P4) MONTHLY PROGRAM SUPPORT GRANT BUDGET
 =====

14-Jun-89

SHELTER COSTS
 =====
 LINE ITEMS

 MONTHLY
 AMOUNT
 (LEMPIRAS)

SHELTER MATERIALS COSTS

BUILDING MATERIALS	20,000
PLASTIC	20,000
TOOLS	10,000
CHAIN SAWS & MAINTENANCE	6,000
FUELWOOD	500

SUBTOTAL SHELTER MATERIALS COSTS 56,500

1. SHELTER CONTINGENCIES 4,075

TOTAL SHELTER COSTS..... 72,000

DOLLAR EQUIVALANT..... 36,000

MEDICAL (MEDICAL CORPS ADMIN)

1. RENTS, UTILITIES, GUARD	8,700
0. OFFICE SUPPLIES	7,000
1. VEHICLE MAINTENANCE	9,000
2. FUEL & LUBRICANTS	7,500
3. OTHER (FUELWOOD, BUTANE, LAUNDRY)	800
4. MEDICAL CONTINGENCIES	5,000

TOTAL MEDICAL..... 38,000

DOLLAR EQUIVALANT..... 19,000

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TOTAL PROGRAM SUPPORT

=====

CATEGORY	MONTHLY		JULY THRU SEPTEMBER	
	LEMPIRAS	DOLLARS	LEMPIRAS	DOLLARS
ADMIN	176,000	88,000	528,000	264,000
H	72,000	36,000	216,000	108,000
MEDICAL	38,000	19,000	114,000	57,000
TOTAL	286,000	143,000	858,000	429,000

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(P5) PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS 14-Jun-89
 =====

GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)
 =====

DESCRIPCION	PRESUPUESTO		
	MENSUAL (LEMPIRAS)	(LEMPIRAS) ALIMENTOS	ROPA
. GASTOS DE EDIFICIOS DE OFICINAS			
OFICINA DE SUMINISTROS			
ALQUILER	3,500	2,800	700
GASTOS ENERGIA ELECTRICA	450	360	90
AGUA	150	120	30
TELEFONOS (2)	4,000	3,200	800
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL SUMINISTROS	9,350	7,480	1,870
BODEGA			
ALQUILER	2,500	2,000	500
GASTOS ENERGIA ELECTRICA	300	240	60
FOTOCOPIADORA: BODEGA SUMINISTROS	400	320	80
FOTOCOPIADORA: BODEGA AID	400	320	80
AGUA	85	68	17
TELEFONO	150	120	30
SUBTOTAL BODEGA,	3,835	3,068	767
OFICINA DE FINANZAS			
ALQUILER	1,400	1,120	280
GASTOS ENERGIA ELECTRICA	300	240	60
AGUA	100	80	20
TELEFONO	2,200	1,760	440
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL OFICINA DE FINANZAS,	5,250	4,200	1,050
OFICINA AYUDA FAMILIAR, BODEGA, Y CABAS DE DISTRIBUCION			
ALQUILER	3,500	2,800	700
GASTOS ENERGIA ELECTRICA	400	320	80
AGUA	100	80	20
TELEFONO	330	264	66
SUBTOTAL AYUDA FAMILIAR	4,330	3,464	866
SUBTOTAL EDIFICIOS DE OFICINAS	22,765	18,212	4,553

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(P6) PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS 14-Jun-89

GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)

DESCRIPCION	PRESUPUESTO MENSUAL (LEMPIRAS)		
	(LEMPIRAS)	ALIMENTOS	ROPA
2. PAPELERIA	23,000	18,400	4,600
3. ALQUILER DE VEHICULOS			
OFICINA AYUDA FAMILIAR (2)	4,600	3,680	920
OFICINA DE FINANZAS	2,300	1,840	460
OFICINA DE FINANZAS (FAP=9DIAS)	1,600	1,280	320
CASA DE COMUNICACIONES	2,300	1,840	460
SUMINISTROS (3)	7,100	5,680	1,420
CASA DE LOS KIKERES	2,300	1,840	460
YAMALES (10)	24,750	19,800	4,950
SUBTOTAL ALQUILER DE VEHICULOS	44,950	35,960	8,990
4. GASTOS DE TRANSPORTE			
MANTENIMIENTO DE VEHICULOS	30,000	24,000	6,000
COMBUSTIBLE Y LUBRICACIONES	40,000	32,000	8,000
MANTENIMIENTO DE MULAS	6,000	4,800	1,200
SUBTOTAL GASTOS TRANSPORTE	76,000	60,800	15,200
5. IMPREVISTOS ADMINISTRATIVOS	9,285	7,428	1,857
TOTAL GASTOS ADMINISTRATIVOS.....	176,000	140,800	35,200
EQUIVALENCIA EN DOLARES.....	88,000	70,400	17,600

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(PB) PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS
 =====

14-Jun-89

GASTOS DE VIVIENDA
 =====

PRESUPUESTO
 MENSUAL
 (LEMPIRAS)

DESCRIPCION

MATERIALES PARA VIVIENDA

MATERIALES PARA CONSTRUIR	20,000
PLASTICO	20,000
HERRAMIENTOS	10,000
MOTO SIERRAS Y MANTENAMIENTO	6,000
LENA	500

SUBTOTAL MATERIALES VIVIENDA 56,500

I. IMPREVISTOS VIVIENDOS 4,075

TOTAL GASTOS PARA VIVIENDAS..... 72,000

EQUIVALENCIA EN DDLARES..... 36,000

GASTOS MEDICOS (CUERPO MEDICO)

9. ALQUILER, VIGILANCIA, E UTILIDADES	8,700
10. PAPELERIA Y UTILES	7,000
11. MANTENIMIENTO DE VEHICULOS	9,000
12. COMBUSTIBLE Y LUBRICACIONES	7,500
13. OTROS (BUTANO, LENA, LAVAR ROPA)	800
14. IMPREVISTOS MEDICOS	5,000

TOTAL GASTOS MEDICOS..... 38,000

EQUIVALENCIA EN DOLARES..... 19,000

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TOTAL GASTOS ADMINISTRATIVOS
 =====

GASTOS	CADA MES		HASTA 30 DE JUNIO	
	LEMPIRAS	DOLARES	LEMPIRAS	DOLARES
ADMIN.	176,000	88,000	528,000	264,000
IMPREVISTOS	72,000	36,000	216,000	108,000
MEDICOS	38,000	19,000	114,000	57,000
TOTAL	286,000	143,000	858,000	429,000

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(P7) PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS

14-Jun-89

GASTOS DE VIVIENDA

PRESUPUESTO
MENSUAL
(LEMPIRAS)

DESCRIPCION

GASTOS DE VIVIENDA

CASA EXECUTIVOS	
ALQUILER	1,700
GASTOS ENERGIA ELECTRICA	200
AGUA	100
TELEFONO	700
SUBTOTAL.....	2,700
CASA DE LOS KIKERES	
ALQUILER	1,000
GASTOS ENERGIA ELECTRICA	100
AGUA	75
TELEFONO	100
SUBTOTAL.....	1,275
CASA TALLER DE MECHANICA	
ALQUILER	1,600
GASTOS ENERGIA ELECTRICA	300
SUBTOTAL.....	1,900
CASA DE COMUNICACIONES	
ALQUILER	1,000
GASTOS ENERGIA ELECTRICA	200
AGUA	150
SUBTOTAL.....	1,350
CASA DE TRANSITO (REPOSO)	
ALQUILER	900
GASTOS ENERGIA ELECTRICA	140
TELEFONO	110
AGUA	100
SUBTOTAL.....	1,250
CASA DE LOS BODEGUEROS	
ALQUILER	2,500
GASTOS ENERGIA ELECTRICA	350
AGUA	100
SUBTOTAL.....	2,950
SUBTOTAL GASTOS DE VIVIENDA	11,425



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MEDICAL (MEDICAL CORPS)

ONE MONTH FOUR MONTHS

9. RENTS AND UTILITIES	8,000	32,000
10. OFFICE SUPPLIES	7,000	28,000
11. BUILDING MAINTENANCE/CLEANING MAT.	7,000	28,000
12. VEHICLE MAINTENANCE	9,000	36,000
13. FUEL & LUBRICANTS	7,500	30,000
14. CLOTHING FOR PATIENTS	4,000	16,000
15. BLOOD PURCHASES	2,000	8,000
16. MEDICAL CONTINGENCIES	5,500	22,000

TOTAL MEDICAL..... 50,000 200,000

DOLLAR EQUIVALANT..... 25,000 100,000

TOTAL PROGRAM SUPPORT

ONE MONTH

FOUR MONTHS

CATEGORY

LEMPIRAS

DOLLARS

LEMPIRAS

DOLLARS

ADMIN COSTS

140,000

70,000

560,000

280,000

SHELTER

60,000

30,000

240,000

120,000

MEDICAL

50,000

25,000

200,000

100,000

TOTAL

250,000

125,000

1,000,000

500,000

PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS

GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA,

DESCRIPCION	PRESUPUESTO (LEMPIRAS)	MONTO POR ALOCACION (LEMPIRAS)		PRESUPUESTO PARA CUATRO MESES
		ALIMENTOS	ROPA	
1. GASTOS DE EDIFICIOS DE OFICINAS				
OFICINA DE SUMINISTROS				
ALQUILER	3,000	2,400	600	12,000
GASTOS ENERGIA ELECTRICA	450	360	90	1,800
AGUA	150	120	30	600
TELEFONOS (2)	4,000	3,200	800	16,000
MANTENIMIENTO FOTOCOPIADORA	500	400	100	2,000
SUBTOTAL SUMINISTROS	8,100	6,480	1,620	32,400
BODEGA				
ALQUILER	2,500	2,000	500	10,000
GASTOS ENERGIA ELECTRICA	150	120	30	600
FOTOCOPIADORA: BODEGA SUMINI	400	320	80	1,600
FOTOCOPIADORA: BODEGA AID	400	320	80	1,600
SUBTOTAL BODEGA	3,450	2,760	690	13,800
OFICINA DE FINANZAS				
ALQUILER	1,400	1,120	280	5,600
GASTOS ENERGIA ELECTRICA	300	240	60	1,200
AGUA	100	80	20	400
TELEFONO	2,000	1,600	400	8,000
MANTENIMIENTO FOTOCOPIADORA	500	400	100	2,000
SUBTOTAL OFICINA DE FINANZAS	4,300	3,440	860	17,200
OFICINA AYUDA FAMILIAR Y CASAS DE DISTRIBUCION				
ALQUILER	1,700	1,360	340	6,800
GASTOS ENERGIA ELECTRICA	250	200	50	1,000
AGUA	100	80	20	400
TELEFONO	300	240	60	1,200
SUBTOTAL AYUDA FAMILIAR	2,350	1,880	470	9,400
SUBTOTAL EDIFICIOS DE OFICINAS	18,200	14,560	3,640	72,800
2. PAPELERIA	15,000	12,000	3,000	60,000

GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)

DESCRIPCION	PRESUPUESTO (LEMPIRAS)	MONTO POR ALOCACION (LEMPIRAS)		PRESUPUESTO CUATRO TRES MESES
		ALIMENTOS	ROPA	
3. ALQUILER DE VEHICULOS				
OFICINA AYUDA FAMILIAR (2)	4,600	3,680	920	13,800
OFICINA DE FINANZAS	2,300	1,840	460	6,900
OFICINA DE FINANZAS (FAP=9DIAS)	1,600	1,280	320	4,800
CABA DE COMUNICACIONES	2,300	1,840	460	6,900
SUMINISTROS (3)	6,900	5,520	1,380	20,700
CABA DE LOS KIKERES	2,300	1,840	460	6,900
SUBTOTAL ALQUILER DE VEHICULOS	20,000	16,000	4,000	60,000
4. GASTOS DE TRANSPORTE				
MANTENIMIENTO DE VEHICULOS	30,000	24,000	6,000	90,000
COMBUSTIBLE Y LUBRICACIONES	40,000	32,000	8,000	120,000
MANTENIMIENTO DE MULAS	3,000	2,400	600	9,000
SUBTOTAL GASTOS TRANSPORTE	73,000	58,400	14,600	219,000
5. IMPREVISTOS ADMINISTRATIVOS	13,800	11,040	2,760	41,400
TOTAL GASTOS ADMINISTRATIVOS.....	140,000	112,000	28,000	420,000
EQUIVALENCIA EN DOLARES.....	70,000	56,000	14,000	210,000

GASTOS DE VIVIENDA

GASTOS DE VIVIENDA	MONTO (LEMPIRAS)	CUATRO MESES
CASA EXECUTIVOS		
ALQUILER	1,700	6,800
GASTOS ENERGIA ELECTRICA	200	800
AGUA	100	400
TELEFONO	700	2,800
SUBTOTAL.....	2,700	10,800
CASA DE LOS KIKERES		
ALQUILER	1,000	4,000
GASTOS ENERGIA ELECTRICA	100	400
AGUA	75	300
SUBTOTAL.....	1,175	4,700
CASA TALLER DE MECHANICA		
ALQUILER	1,400	6,400
GASTOS ENERGIA ELECTRICA	150	600
SUBTOTAL.....	1,750	7,000
CASA DE COMUNICACIONES		
ALQUILER	600	2,400
GASTOS ENERGIA ELECTRICA	100	400
AGUA	50	200
SUBTOTAL.....	750	3,000
CASA DE TRANSITO (REPOSO)		
ALQUILER	900	3,600
GASTOS ENERGIA ELECTRICA	125	500
TELEFONO	100	400
AGUA	100	400
SUBTOTAL.....	1,225	4,900
SUBTOTAL GASTOS DE VIVIENDA	7,600	30,400
7. MATERIALES PARA VIVIENDA		
MATERIALES PARA CONSTRUIR	15,000	60,000
PLASTICO	15,000	60,000
TOOLS	10,000	40,000
CHAIN SAW MAINTENANCE	6,000	24,000
SUBTOTAL MATERIALES VIVIENDA	46,000	184,000
8. IMPREVISTOS VIVIENDOS	6,400	25,600
TOTAL GASTOS PARA VIVIENDAS....	60,000	240,000
EQUIVALENCIA EN DOLARES.....	30,000	120,000

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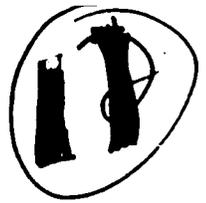
GASTOS MEDICOS (CUERPO

	1 MES	CUATRO MESES
LQUILER Y UTILIDADES	8,000	32,000
PAPELERIA Y UTILES	7,000	28,000
11. MANTENIMIENTO DE EDIFICIOS	7,000	28,000
12. MANTENIMIENTO DE VEHICULOS	9,000	36,000
13. COMBUSTIBLE Y LUBRICACIONES	7,500	30,000
14. ROPA PARA PACIENTES	4,000	16,000
15. COPRAS DE SANGRE	2,000	8,000
16. IMPREVISTOS MEDICOS	5,500	22,000
TOTAL GASTOS MEDICOS.....	50,000	200,000
EQUIVALENCIA EN DOLARES.....	25,000	100,000

TOTAL GASTOS ADMINISTRATIVOS

	LEMPIRAS UN MES		LEMPIRAS CUATRO MESES	
	DOLLARS	DOLLARS	DOLLARS	DOLLARS
GASTOS ADMINISTRATIVOS	140,000	70,000	560,000	280,000
GASTOS DE VIVIENDA	60,000	30,000	240,000	120,000
GASTOS MEDICOS	50,000	25,000	200,000	100,000
TOTAL	250,000	125,000	1,000,000	500,000

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523



cc: TM
KMY
TB
LT
DS

PHASE III
PROGRAM SUPPORT
LETTER AGREEMENT

Date: May 5, 1989

1. Pursuant to the authority contained in the Act to implement the Bipartisan Accord on Central America of March 24, 1989, and the Delegation of Authority from the Administrator of the Agency for International Development to the Director of the Task Force on Humanitarian Assistance in Central America dated April 1, 1988, The Government of the United States of America, acting through the Agency for International Development, hereby grants to the Nicaraguan Democratic Resistance \$304,000 (Three Hundred Four Thousand United States Dollars) for program support costs through June, 1989. Funds provided herein are to be used to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program, in accordance with the illustrative budget attached to this agreement.

2. Program support costs shall be paid in accordance with the procedures described below, and with the attached budget. Of the amount being granted herein, the following applies:

An amount up to \$176,000 (One Hundred Seventy Six Thousand United States Dollars) may be used for costs directly related to procurement, storage, and delivery of food and clothing.

An amount up to \$72,000 (Seventy Two Thousand United States Dollars) may be used for shelter costs;

An amount up to \$56,000 (Fifty Six Thousand United States Dollars) may be used for costs incurred by the Medical Corps in providing medical services -- as indicated in the budget;

3. Adjustments up to 15 percent between the above budget components may be made without prior clearance from TFHA/Honduras. However, funds designated as "contingencies" in the budget may only be used with prior approval of TFHA/Honduras and may only be applied to components already designated in the budget. It is understood that in preparing vouchers for expenses

MONTHLY PROGRAM SUPPORT GRANT BUDGET

05-May-89

ADMINISTRATIVE COSTS (FOOD/CLOTHES)

LINE ITEMS	MONTHLY	AMOUNT OF ALLOCATION	
	AMOUNT (LEMPIRAS)	FOOD	CLOTHING
1. OFFICE BUILDING COSTS			
SUPPLY OFFICE (SUMINISTROS)			
RENT	3,500	2,800	700
ELECTRICITY	450	360	90
WATER	150	120	30
TELEPHONES (2)	4,000	3,200	800
COPIER	1,250	1,000	250
SUBTOTAL SUPPLY OFFICE.....	9,350	7,480	1,870
WAREHOUSE			
RENT	2,500	2,000	500
ELECTRICITY	300	240	60
COPIER:SUMINISTROS WAREHOUSE	400	320	80
COPIER:AID WAREHOUSE	400	320	80
WATER	35	68	17
TELEPHONE	150	120	30
SUBTOTAL WAREHOUSE.....	3,835	3,068	767
FINANCE OFFICE (FINANZAS)			
RENT	1,400	1,120	280
ELECTRICITY	300	240	60
WATER	100	80	20
TELEPHONE	2,200	1,760	440
COPIER	1,250	1,000	250
SUBTOTAL FINANCE OFFICE.....	5,250	4,200	1,050
FAMILY FOOD OFFICE, WAREHOUSE & DISTRIBUTION HOUSES			
RENTS	3,500	2,800	700
ELECTRICITY	400	320	80
WATER	100	80	20
TELEPHONE	330	264	66
SUBTOTAL FAMILY FOOD OFFICE.....	4,330	3,464	866
SUBTOTAL OFFICE BUILDING COSTS.....	22,765	18,212	4,553

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ADMINISTRATIVE COSTS (FOOD/ CLOTHES)

(CONTINUED)

LINE ITEMS	MONTHLY AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION	
		FOOD	CLOTHING
2. OFFICE SUPPLIES	23,000	18,400	4,600
3. CAR RENTS			
FAMILY FOOD OFFICE (2)	4,600	3,680	920
FINANCE OFFICE	2,300	1,840	460
FINANCE OFFICE (FAP=9 DAYS)	1,600	1,280	320
COMMUNICATIONS HOUSE	2,300	1,840	460
SUPPLY OFFICE (3)	7,100	5,680	1,420
KICKERS HOUSE	2,300	1,840	460
YAMALES (10)	24,750	19,800	4,950
SUBTOTAL CAR RENTS.....	44,950	35,960	8,990
4 TRANSPORTATION EXPENSES			
VEHICLE MAINTENANCE	30,000	24,000	6,000
FUEL & LUBRICATION	40,000	32,000	8,000
MULE MAINTENANCE	6,000	4,800	1,200
SUBTOTAL.....	76,000	60,800	15,200
5. ADMINISTRATIVE CONTINGENCIES	9,285	7,428	1,857
TOTAL ADMINISTRATIVE.....	176,000	140,800	35,200
DOLLAR EQUIVALANT.....	88,000	70,400	17,600

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MONTHLY PROGRAM SUPPORT GRANT BUDGET

05-May-89

ALTER COSTS

LINE ITEMS

MONTHLY
AMOUNT
(LEMPIRAS)

6. LODGING COSTS

EXECUTIVE HOUSE

RENT	1,700
ELECTRICITY	200
WATER	100
TELEPHONE	700
SUBTOTAL.....	2,700

KICKERS HOUSE

RENT	1,000
ELECTRICITY	100
WATER	75
TELEPHONE	100
SUBTOTAL.....	1,275

MECHANICS HOUSE

RENT	1,600
ELECTRICITY	300
SUBTOTAL.....	1,900

COMMUNICATIONS HOUSE

RENT	1,000
ELECTRICITY	200
WATER	150
SUBTOTAL.....	1,350

TRANSIENT QUARTERS (R&R)

RENT	900
ELECTRICITY	140
TELEPHONE	110
WATER	100
SUBTOTAL.....	1,250

WAREHOUSE WORKERS HOUSE

RENT	2,500
ELECTRICITY	350
WATER	100
SUBTOTAL.....	2,950

SUBTOTAL LODGING COSTS..... 11,425

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SHELTER COSTS

LINE ITEMS

MONTHLY AMOUNT (LEMPIRAS)

7. SHELTER MATERIALS COSTS

BUILDING MATERIALS	20,000
PLASTIC	20,000
TOOLS	10,000
CHAIN SAWS & MAINTENANCE	6,000
FUELWOOD	500

SUBTOTAL SHELTER MATERIALS COSTS 56,500

8. SHELTER CONTINGENCIES 4,075

TOTAL SHELTER COSTS..... 72,000

DOLLAR EQUIVALANT..... 36,000

MEDICAL (MEDICAL CORPS ADMIN)

RENTS, UTILITIES, GUARD	7,350
OFFICE SUPPLIES	7,000
11. VEHICLE MAINTENANCE	9,000
12. FUEL & LUBRICANTS	7,500
13. MEDICAL CORPS CAR RENT (8)	19,350
14. OTHER (FUELWOOD, BUTANE, LAUNDRY)	800
15. MEDICAL CONTINGENCIES	5,000

TOTAL MEDICAL..... 56,000

DOLLAR EQUIVALANT..... 28,000

TOTAL PROGRAM SUPPORT

CATEGORY	MONTHLY		THRU JUNE	
	LEMPIRAS	DOLLARS	LEMPIRAS	DOLLARS
ADMIN	176,000	88,000	352,000	176,000
SHELTER	72,000	36,000	144,000	72,000
MEDICAL	56,000	28,000	112,000	56,000
TOTAL	304,000	152,000	608,000	304,000

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GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)

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DESCRIPCION	PRESUPUESTO		
	MENSUAL (LEMPIRAS)	(LEMPIRAS)	
		ALIMENTOS	ROPA
1. GASTOS DE EDIFICIOS DE OFICINAS			
OFICINA DE SUMINISTROS			
ALQUILER	3,500	2,800	700
GASTOS ENERGIA ELECTRICA	450	360	90
AGUA	150	120	30
TELEFONOS (2)	4,000	3,200	800
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL SUMINISTROS	9,350	7,480	1,870
BODEGA			
ALQUILER	2,500	2,000	500
GASTOS ENERGIA ELECTRICA	300	240	60
FOTOCOPIADORA: BODEGA SUMINISTROS	400	320	80
FOTOCOPIADORA: BODEGA AID	400	320	80
AGUA	85	68	17
TELEFONO	150	120	30
SUBTOTAL BODEGA.....	3,835	3,068	767
OFICINA DE FINANZAS			
ALQUILER	1,400	1,120	280
GASTOS ENERGIA ELECTRICA	300	240	60
AGUA	100	80	20
TELEFONO	2,200	1,760	440
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL OFICINA DE FINANZAS.....	5,250	4,200	1,050
OFICINA AYUDA FAMILIAR, BODEGA, Y CASAS DE DISTRIBUCION			
ALQUILER	3,500	2,800	700
GASTOS ENERGIA ELECTRICA	400	320	80
AGUA	100	80	20
TELEFONO	330	264	66
SUBTOTAL AYUDA FAMILIAR	4,330	3,464	866
SUBTOTAL EDIFICIOS DE OFICINAS	22,765	18,212	4,553

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GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)

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DESCRIPCION	PRESUPUESTO MENSUAL (LEMPIRAS)	(LEMPIRAS)	
		ALIMENTOS	ROPA
2. PAPELERIA	23,000	18,400	4,600
3. ALQUILER DE VEHICULOS			
OFICINA AYUDA FAMILIAR (2)	4,600	3,680	920
OFICINA DE FINANZAS	2,300	1,840	460
OFICINA DE FINANZAS (FAP=9DIAS)	1,600	1,280	320
CASA DE COMMUNICACIONES	2,300	1,840	460
SUMINISTROS (3)	7,100	5,680	1,420
CASA DE LOS KIKERES	2,300	1,840	460
YAMALES (10)	24,750	19,800	4,950
SUBTOTAL ALQUILER DE VEHICULOS	44,950	35,960	8,990
4. GASTOS DE TRANSPORTE			
MANTENIMIENTO DE VEHICULOS	30,000	24,000	6,000
COMBUSTIBLE Y LUBRICACIONES	40,000	32,000	8,000
MANTENIMIENTO DE MULAS	6,000	4,800	1,200
SUBTOTAL GASTOS TRANSPORTE	76,000	60,800	15,200
5. IMPREVISTOS ADMINISTRATIVOS	9,285	7,428	1,857
TOTAL GASTOS ADMINISTRATIVOS.....	176,000	140,800	35,200
EQUIVALENCIA EN DOLARES.....	88,000	70,400	17,600

STOS DE VIVIENDA	PRESUPUESTO
DESCRIPCION	MENSUAL
	(LEMPIRAS)
6. GASTOS DE VIVIENDA	
CASA EXECUTIVOS	
ALQUILER	1,700
GASTOS ENERGIA ELECTRICA	200
AGUA	100
TELEFONO	700
SUBTOTAL.....	2,700
CASA DE LOS KIKERES	
ALQUILER	1,000
GASTOS ENERGIA ELECTRICA	100
AGUA	75
TELEFONO	100
SUBTOTAL.....	1,275
CASA TALLER DE MECHANICA	
ALQUILER	1,600
GASTOS ENERGIA ELECTRICA	300
SUBTOTAL.....	1,900
CASA DE COMUNICACIONES	
ALQUILER	1,000
GASTOS ENERGIA ELECTRICA	200
AGUA	150
SUBTOTAL.....	1,350
CASA DE TRANSITO (REPOSO)	
ALQUILER	900
GASTOS ENERGIA ELECTRICA	140
TELEFONO	110
AGUA	100
SUBTOTAL.....	1,250
CASA DE LOS BODEGUEROS	
ALQUILER	2,500
GASTOS ENERGIA ELECTRICA	350
AGUA	100
SUBTOTAL.....	2,950
SUBTOTAL GASTOS DE VIVIENDA	11,425

S T O S D E V I V I E N D A

PRESUPUESTO MENSUAL (LEMPIRAS)

DESCRIPCION

7. MATERIALES PARA VIVIENDA

MATERIALES PARA CONSTRUIR	20,000
PLASTICO	20,000
HERRAMIENTOS	10,000
MOTO SIERRAS Y MANTENAMIENTO	6,000
LENA	500

SUBTOTAL MATERIALES VIVIENDA 56,500

8. IMPREVISTOS VIVIENDOS 4,075

TOTAL GASTOS PARA VIVIENDAS..... 72,000

EQUIVALENCIA EN DOLARES..... 36,000

G A S T O S M E D I C O S (C U E R P O M E D I C O)

9. ALQUILER, VIGILANCIA, E UTILIDADES	7,350
10. PAPELERIA Y UTILES	7,000
11. MANTENIMIENTO DE VEHICULOS	9,000
12. COMBUSTIBLE Y LUBRICACIONES	7,500
13. ALQUILER DE VEHICULOS (8)	19,350
14. OTHROS (BUTANO, LENA, LAVAR ROPA)	800
15. IMPREVISTOS MEDICOS	5,000

TOTAL GASTOS MEDICOS..... 56,000

EQUIVALENCIA EN DOLARES..... 28,000

T O T A L G A S T O S A D I M I N I S T R A T I V O S

GASTOS	CADA MES		HASTA 30 DE JUNIO	
	LEMPIRAS	DOLARES	LEMPIRAS	DOLARES
ADMIN.	176,000	88,000	352,000	176,000
VIVIENDA	72,000	36,000	144,000	72,000
MEDICOS	56,000	28,000	112,000	56,000
	304,000	152,000	608,000	304,000

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PHASE III
PROGRAM SUPPORT
LETTER AGREEMENT
Amendment 1

Date: June 15, 1989

This is to amend the Phase III Program Support Letter Agreement between the Agency for International Development (A.I.D.) and the Nicaraguan Democratic Resistance (NDR) dated May 5, 1989 to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program. The Agreement is hereby amended to include the following changes:

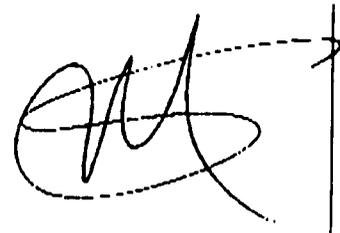
1. The Grant is increased by \$429,000 (Four Hundred Twenty-nine Thousand United States Dollars) which when added to the original agreement of \$304,000, will increase the maximum to \$733,000 (Seven Hundred Thirty three thousand United States Dollars). These funds are to be used to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program, in accordance with the illustrative budget attached to this amendment.

2. Funds provided under this amendment are to be used to cover necessary and reasonable costs as shown in the attached budget incurred up to September 30, 1989. Concerning the budget, the following applies:

An amount up to Dollars 264,000 (Dollars 88,000 monthly) may be used for costs directly related to procurement, storage, and delivery of food and clothing;

An amount up to Dollars 108,000 (Dollars 36,000 monthly) may be used for shelter costs;

An amount up to Dollars 57,000 (Dollars 19,000 monthly) may be used for costs incurred by the Medical Corps in providing medical services -- as indicated in the budget.



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3. All other terms and conditions of the original agreement remain in full force and effect, and apply equally to this amendment. Each of the undersigned individuals represents that he is fully authorized to execute this agreement on behalf of his respective organization.

Mario Sacasa
Vice Coordinator of
Administration and Finance
Nicaraguan Democratic
Resistance

Ted D. Morse
The Government of the
United States of America
through the
Agency for International
Development

FISCAL DATA:

Letter Agreement No.: 594-0005-A-00-9801-01
Appropriation No.: 72-119/01038
Budget Plan Code: VRR98929594HG84
Project No.: 594-0005.00

<u>Funding Category</u>	<u>Element Number</u>	<u>Reservation Control No.</u>	<u>Amount</u>
Program Support	61	P610001	\$264,000
Shelter	76	S760001	\$108,000
Medical	58	M580001	\$57,000
TOTAL.....			\$429,000

Funds Available:

R. Meyhan / for - Tejuca, 07810(5-5-89)
Linda Tarpeh-Doe, TFHA/Controller

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MONTHLY PROGRAM SUPPORT GRANT BUDGET

14-Jun-89

ADMINISTRATIVE COSTS (FOOD/CLOTHES)

LINE ITEMS	MONTHLY AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION	
		FOOD	CLOTHING
1. OFFICE BUILDING COSTS			
SUPPLY OFFICE (SUMINISTROS)			
RENT			
ELECTRICITY	3,500	2,800	700
WATER	450	360	90
TELEPHONES (2)	150	120	30
COPIER	4,000	3,200	800
	1,250	1,000	250
SUBTOTAL SUPPLY OFFICE.....	9,350	7,480	1,870
WAREHOUSE			
RENT			
ELECTRICITY	2,500	2,000	500
COPIER:SUMINISTROS WAREHOUSE	300	240	60
COPIER:AID WAREHOUSE	400	320	80
WATER	400	320	80
TELEPHONE	85	68	17
	150	120	30
SUBTOTAL WAREHOUSE.....	3,835	3,068	767
FINANCE OFFICE (FINANZAS)			
RENT			
ELECTRICITY	1,400	1,120	280
WATER	300	240	60
TELEPHONE	100	80	20
COPIER	2,200	1,760	440
	1,250	1,000	250
SUBTOTAL FINANCE OFFICE.....	5,250	4,200	1,050
FAMILY FOOD OFFICE, WAREHOUSE & DISTRIBUTION HOUSES			
RENTS			
ELECTRICITY	3,500	2,800	700
WATER	400	320	80
TELEPHONE	100	80	20
	330	264	66
SUBTOTAL FAMILY FOOD-OFFICE.....	4,330	3,464	866
TOTAL OFFICE BUILDING COSTS.....	22,765	18,212	4,553

(P2)

MONTHLY PROGRAM SUPPORT GRANT BUDGET

14-Jun-89

ADMINISTRATIVE COSTS (FOOD/CLOTHES)

(CONTINUED)

LINE ITEMS	MONTHLY AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION	
		FOOD	CLOTHING
2. OFFICE SUPPLIES	23,000	18,400	4,600
3. CAR RENTS			
FAMILY FOOD OFFICE (2)	4,600	3,680	920
FINANCE OFFICE	2,300	1,840	460
FINANCE OFFICE (FAP=9 DAYS)	1,600	1,280	320
COMMUNICATIONS HOUSE	2,300	1,840	460
SUPPLY OFFICE (3)	7,100	5,680	1,420
KICKERS HOUSE	2,300	1,840	460
YAMALES (10)	24,750	19,800	4,950
SUBTOTAL CAR RENTS.....	44,950	35,960	8,990
4. TRANSPORTATION EXPENSES			
VEHICLE MAINTENANCE	30,000	24,000	6,000
FUEL & LUBRICATION	40,000	32,000	8,000
MULE MAINTENANCE	6,000	4,800	1,200
SUBTOTAL.....	76,000	60,800	15,200
5. ADMINISTRATIVE CONTINGENCIES	9,285	7,428	1,857
TOTAL ADMINISTRATIVE.....	176,000	140,800	35,200
DOLLAR EQUIVALANT.....	88,000	70,400	17,600

(P.3) MONTHLY PROGRAM SUPPORT GRANT BUDGET

14-Jun-89

SHELTER COSTS

LINE ITEMS

MONTHLY
AMOUNT
(LEMPIRAS)

6. LODGING COSTS

EXECUTIVE HOUSE

RENT	
ELECTRICITY	1,700
WATER	200
TELEPHONE	100
SUBTOTAL.....	700
	2,700

KICKERS HOUSE

RENT	
ELECTRICITY	1,000
WATER	100
TELEPHONE	75
SUBTOTAL.....	100
	1,275

MECHANICS HOUSE

RENT	
ELECTRICITY	1,600
SUBTOTAL.....	300
	1,900

COMMUNICATIONS HOUSE

RENT	
ELECTRICITY	1,000
WATER	200
SUBTOTAL.....	150
	1,350

TRANSIENT QUARTERS (R&R)

RENT	
ELECTRICITY	900
TELEPHONE	140
WATER	110
SUBTOTAL.....	100
	1,250

WAREHOUSE WORKERS HOUSE

RENT	
ELECTRICITY	2,500
WATER	350
SUBTOTAL.....	100
	2,950

SUBTOTAL LODGING COSTS.....

11,425

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(P4) MONTHLY PROGRAM SUPPORT GRANT BUDGET
 =====

14-Jun-89

SHELTER COSTS
 =====
 LINE ITEMS

 MONTHLY
 AMOUNT
 (LEMPIRAS)

7. SHELTER MATERIALS COSTS

BUILDING MATERIALS	20,000
PLASTIC	20,000
TOOLS	10,000
CHAIN SAWS & MAINTENANCE	6,000
FUELWOOD	500

SUBTOTAL SHELTER MATERIALS COSTS 56,500

3. SHELTER CONTINGENCIES 4,075

TOTAL SHELTER COSTS..... 72,000

DOLLAR EQUIVALANT..... 36,000

1 E D I C A L (M E D I C A L C O R P S A D M I N)

7. RENTS, UTILITIES, GUARD	8,700
10. OFFICE SUPPLIES	7,000
11. VEHICLE MAINTENANCE	9,000
12. FUEL & LUBRICANTS	7,500
13. OTHER (FUELWOOD, BUTANE, LAUNDRY)	800
14. MEDICAL CONTINGENCIES	5,000

TOTAL MEDICAL..... 38,000

DOLLAR EQUIVALANT..... 19,000

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TOTAL PROGRAM SUPPORT

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CATEGORY	MONTHLY		JULY THRU SEPTEMBER	
	LEMPIRAS	DOLLARS	LEMPIRAS	DOLLARS
ADMIN	176,000	88,000	528,000	264,000
SHELTER	72,000	36,000	216,000	108,000
MEDICAL	38,000	19,000	114,000	57,000
TOTAL	286,000	143,000	858,000	429,000

Art

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(P5) PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS 14-Jun-89
 =====

GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)
 =====

DESCRIPCION	PRESUPUESTO		
	MENSUAL (LEMPIRAS)	(LEMPIRAS)	
		ALIMENTOS	ROPA
.. GASTOS DE EDIFICIOS DE OFICINAS			
OFICINA DE SUMINISTROS			
ALQUILER	3,500	2,800	700
GASTOS ENERGIA ELECTRICA	450	360	90
AGUA	150	120	30
TELEFONOS (2)	4,000	3,200	800
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL SUMINISTROS	9,350	7,480	1,870
BODEGA			
ALQUILER	2,500	2,000	500
GASTOS ENERGIA ELECTRICA	300	240	60
FOTOCOPIADORA: BODEGA SUMINISTROS	400	320	80
FOTOCOPIADORA: BODEGA AID	400	320	80
AGUA	85	68	17
TELEFONO	150	120	30
SUBTOTAL BODEGA.....	3,835	3,068	767
OFICINA DE FINANZAS			
ALQUILER	1,400	1,120	280
GASTOS ENERGIA ELECTRICA	300	240	60
AGUA	100	80	20
TELEFONO	2,200	1,760	440
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL OFICINA DE FINANZAS.....	5,250	4,200	1,050
OFICINA AYUDA FAMILIAR, BODEGA, Y CASAS DE DISTRIBUCION			
ALQUILER	3,500	2,800	700
GASTOS ENERGIA ELECTRICA	400	320	80
AGUA	100	80	20
TELEFONO	330	264	66
SUBTOTAL AYUDA FAMILIAR	4,330	3,464	866
SUBTOTAL EDIFICIOS DE OFICINAS	22,765	18,212	4,553

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PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS

14-Jun-89

GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)

DESCRIPCION	PRESUPUESTO		
	MENSUAL (LEMPIRAS)	(LEMPIRAS) ALIMENTOS	ROPA
2. PAPELERIA	23,000	18,400	4,600
3. ALQUILER DE VEHICULOS			
OFICINA AYUDA FAMILIAR (2)	4,600	3,680	920
OFICINA DE FINANZAS	2,300	1,840	460
OFICINA DE FINANZAS (FAP=9DIAS)	1,600	1,280	320
CASA DE COMUNICACIONES	2,300	1,840	460
SUMINISTROS (3)	7,100	5,680	1,420
CASA DE LOS KIKERES	2,300	1,840	460
YAMALES (10)	24,750	19,800	4,950
SUBTOTAL ALQUILER DE VEHICULOS	44,950	35,960	8,990
4. GASTOS DE TRANSPORTE			
MANTENIMIENTO DE VEHICULOS	30,000	24,000	6,000
COMBUSTIBLE Y LUBRICACIONES	40,000	32,000	8,000
MANTENIMIENTO DE MULAS	6,000	4,800	1,200
SUBTOTAL GASTOS TRANSPORTE	76,000	60,800	15,200
5. IMPREVISTOS ADMINISTRATIVOS	9,285	7,428	1,857
TOTAL GASTOS ADMINISTRATIVOS.....	176,000	140,800	35,200
FRUITUAL ENCIJA EN DOLARES.....	88,000	70,400	17,400

250

PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS
 =====

09-Jan-90

GASTOS DE VIVIENDA
 =====
 DESCRIPCION

PRESUPUESTO
 MENSUAL
 (LEMPIRAS)

6. GASTOS DE VIVIENDA

CASA EXECUTIVOS

ALQUILER	1,700
GASTOS ENERGIA ELECTRICA	200
AGUA	100
TELEFONO	700
SUBTOTAL.....	2,700

CASA DE LOS KIKERES

ALQUILER	1,000
GASTOS ENERGIA ELECTRICA	100
AGUA	75
TELEFONO	100
SUBTOTAL.....	1,275

CASA TALLER DE MECHANICA

ALQUILER	1,600
GASTOS ENERGIA ELECTRICA	300
SUBTOTAL.....	1,900

CASA DE COMUNICACIONES

ALQUILER	1,000
GASTOS ENERGIA ELECTRICA	200
AGUA	150
SUBTOTAL.....	1,350

CASA DE TRANSITO (REPOSO)

ALQUILER	1,200
GASTOS ENERGIA ELECTRICA	140
TELEFONO	110
AGUA	100
SUBTOTAL.....	1,550

CASA DE LOS BODEGUEROS

ALQUILER	2,500
GASTOS ENERGIA ELECTRICA	350
AGUA	100
SUBTOTAL.....	2,950

SUBTOTAL GASTOS DE VIVIENDA

11,725

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(PB) PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS 14-Jun-89
 =====

GASTOS DE VIVIENDA PRESUPUESTO MENSUAL (LEMPIRAS)
 =====

7. MATERIALES PARA VIVIENDA	
MATERIALES PARA CONSTRUIR	20,000
PLASTICO	20,000
HERRAMIENTOS	10,000
MOTO SIERRAS Y MANTENAMIENTO	6,000
LENA	500
SUBTOTAL MATERIALES VIVIENDA	56,500
3. IMPREVISTOS VIVIENDOS	4,075
TOTAL GASTOS PARA VIVIENDAS.....	72,000
EQUIVALENCIA EN DOLARES.....	36,000

GASTOS MEDICOS (CUERPO MEDICO)

9. ALQUILER, VIGILANCIA, E UTILIDADES	8,700
10. PAPELERIA Y UTILES	7,000
11. MANTENIMIENTO DE VEHICULOS	9,000
12. COMBUSTIBLE Y LUBRICACIONES	7,500
13. OTROS (BUTANO, LENA, LAVAR ROPA)	800
14. IMPREVISTOS MEDICOS	5,000
TOTAL GASTOS MEDICOS.....	38,000
EQUIVALENCIA EN DOLARES.....	19,000

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TOTAL GASTOS ADMINISTRATIVOS

=====

GASTOS	CADA MES		HASTA 30 DE JUNIO	
	LEMPIRAS	DOLARES	LEMPIRAS	DOLARES
ADMIN.	176,000	88,000	528,000	264,000
VIVIENDA	72,000	36,000	216,000	108,000
MEDICOS	38,000	19,000	114,000	57,000
TOTAL	286,000	143,000	858,000	429,000

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(P7) PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS

14-Jun-89

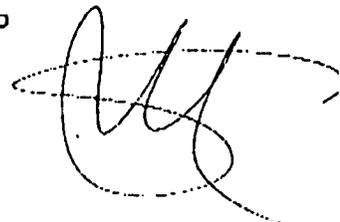
GASTOS DE VIVIENDA

PRESUPUESTO
MENSUAL
(LEMPIRAS)

DESCRIPCION

5. GASTOS DE VIVIENDA

CASA EXECUTIVOS	
ALQUILER	
GASTOS ENERGIA ELECTRICA	1,700
AGUA	200
TELEFONO	100
SUBTOTAL.....	700
	2,700
CASA DE LOS KIKERES	
ALQUILER	1,000
GASTOS ENERGIA ELECTRICA	100
AGUA	75
TELEFONO	100
SUBTOTAL.....	1,275
CASA TALLER DE MECHANICA	
ALQUILER	1,600
GASTOS ENERGIA ELECTRICA	300
SUBTOTAL.....	1,900
CASA DE COMUNICACIONES	
ALQUILER	1,000
GASTOS ENERGIA ELECTRICA	200
AGUA	150
SUBTOTAL.....	1,350
CASA DE TRANSITO (REPOSO)	
ALQUILER	900
GASTOS ENERGIA ELECTRICA	140
TELEFONO	110
AGUA	100
SUBTOTAL.....	1,250
CASA DE LOS BODEGUEROS	
ALQUILER	2,500
GASTOS ENERGIA ELECTRICA	350
AGUA	100
SUBTOTAL.....	2,950
SUBTOTAL GASTOS DE VIVIENDA	11,425



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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

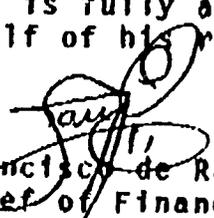
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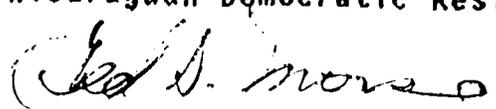
PHASE III
PROGRAM SUPPORT
LETTER AGREEMENT
Amendment 5

Date: January 16, 1990

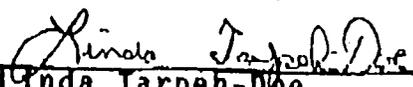
This is to amend the Phase III Program Support Letter Agreement between the Agency for International Development (A.I.D.) and the Nicaraguan Democratic Resistance (NDR) dated May 5, 1989 to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program. The Agreement is hereby amended to include the following changes:

1. The Grant is increased by \$147,000 (One Hundred Forty Seven Thousand United States Dollars) which when added to the obligations already made under this agreement totaling \$1,321,000 (One Million Three Hundred Twenty-One Thousand United States Dollars) will increase the maximum to \$1,468,000 (One Million Four Hundred Sixty-Eight Thousand United States Dollars). These funds are to be used to finance administrative expenses incurred by the Resistance which directly relate to the implementation of the Humanitarian Assistance Program, in accordance with the illustrative budget attached to this amendment.
2. Funds provided under this amendment are to be used to cover necessary and reasonable costs as shown in the attached budget incurred up to February 28, 1990.
3. All other terms and conditions of the original agreement remain in full force and effect, and apply equally to this amendment. Each of the undersigned individuals represents that he is fully authorized to execute this agreement on behalf of his respective organization.


Francisco de Ruiz
Chief of Finance
Nicaraguan Democratic Resistance


Ted D. Morse
The Government of United
States of America
through the
Agency for International Development

Funds Available:


Linda Tarpoh-Dee,
TFHA/Controller

FISCAL DATA:

Letter Agreement No.: 594-0005 A 00-9801-05
Appropriation No.: 72-119/01038
Budget Plan Code: VRR99029594HG84
Project No.: 594-0005.00

<u>Funding Category</u>	<u>Element Number</u>	<u>Reservation Control No.</u>	<u>Amount</u>
Program Support	61	P961000	\$ 88,000
Shelter	76	S976000	\$ 36,000
Medical	58	M958000	\$ 23,000
TOTAL.....			\$147,000

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MONTHLY PROGRAM SUPPORT GRANT BUDGET

09-Jan-90

ADMINISTRATIVE COSTS (FOOD/CLOTHES)

LINE ITEMS	MONTHLY AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION	
		FOOD	CLOTHING
1. OFFICE BUILDING COSTS			
SUPPLY OFFICE (SUMINISTROS)			
RENT	3,500	2,800	700
ELECTRICITY	450	360	90
WATER	150	120	30
TELEPHONES (2)	4,000	3,200	800
COPIER	1,250	1,000	250
SUBTOTAL SUPPLY OFFICE.....	9,350	7,480	1,870
WAREHOUSE			
RENT	2,500	2,000	500
ELECTRICITY	300	240	60
COPIER:SUMINISTROS WAREHOUSE	400	320	80
COPIER:AID WAREHOUSE	400	320	80
WATER	85	68	17
TELEPHONE	150	120	30
SUBTOTAL WAREHOUSE.....	3,835	3,068	767
FINANCE OFFICE (FINANZAS)			
RENT	1,400	1,120	280
ELECTRICITY	300	240	60
WATER	100	80	20
TELEPHONE	2,200	1,760	440
COPIER	1,250	1,000	250
SUBTOTAL FINANCE OFFICE.....	5,250	4,200	1,050
FAMILY FOOD OFFICE, WAREHOUSE & DISTRIBUTION HOUSES			
RENTS	4,050	3,240	810
ELECTRICITY	400	320	80
WATER	100	80	20
TELEPHONE	330	264	66
SUBTOTAL FAMILY FOOD OFFICE.....	4,880	3,904	976
SUBTOTAL OFFICE BUILDING COSTS.....	23,315	18,652	4,663

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(P2)

MONTHLY PROGRAM SUPPORT GRANT BUDGET

09-Jan-90

ADMINISTRATIVE COSTS (FOOD/CLOTHES)

(CONTINUED)

LINE ITEMS	MONTHLY AMOUNT (LEMPIRAS)	AMOUNT OF ALLOCATION FOOD	CLOTHING
2. OFFICE SUPPLIES	23,000	18,400	4,600
3. CAR RENTS			
FAMILY FOOD OFFICE (2)	4,600	3,680	920
FINANCE OFFICE	2,300	1,840	460
FINANCE OFFICE (FAP=9 DAYS)	1,600	1,280	320
COMMUNICATIONS HOUSE	2,300	1,840	460
SUPPLY OFFICE (3)	7,100	5,680	1,420
KICKERS HOUSE	2,300	1,840	460
YAMALES (6)	13,800	11,040	2,760
SUBTOTAL CAR RENTS.....	34,000	27,200	6,800
4 TRANSPORTATION EXPENSES			
VEHICLE MAINTENANCE	35,000	28,000	7,000
FUEL & LUBRICATION	40,000	32,000	8,000
MULE MAINTENANCE	6,000	4,800	1,200
SUBTOTAL.....	81,000	64,800	16,200
5. ADMINISTRATIVE CONTINGENCIES	14,685	11,748	2,937
TOTAL ADMINISTRATIVE.....	176,000	140,800	35,200
DOLLAR EQUIVALANT.....	88,000	70,400	17,600

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(23)

MONTHLY PROGRAM SUPPORT GRANT BUDGET

09-Jan-90

SHELTER COSTS

LINE ITEMS

MONTHLY AMOUNT (LEMPIRAS)

6. LODGING COSTS

EXECUTIVE HOUSE

RENT	1,700
ELECTRICITY	200
WATER	100
TELEPHONE	700
SUBTOTAL.....	2,700

KICKERS HOUSE

RENT	1,000
ELECTRICITY	100
WATER	75
TELEPHONE	100
SUBTOTAL.....	1,275

MECHANICS HOUSE

RENT	1,600
ELECTRICITY	300
SUBTOTAL.....	1,900

COMMUNICATIONS HOUSE

RENT	1,000
ELECTRICITY	200
WATER	150
SUBTOTAL.....	1,350

TRANSIENT QUARTERS (R&R)

RENT	1,200
ELECTRICITY	140
TELEPHONE	110
WATER	100
SUBTOTAL.....	1,550

WAREHOUSE WORKERS HOUSE

RENT	2,500
ELECTRICITY	350
WATER	100
SUBTOTAL.....	2,950

SUBTOTAL LODGING COSTS..... 11,725

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SHELTER COSTS
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MONTHLY
AMOUNT
(LEMPIRAS)

7. SHELTER MATERIALS COSTS

BUILDING MATERIALS	20,000
PLASTIC	20,000
TOOLS	10,000
CHAIN SAWS & MAINTENANCE	8,000
FUELWOOD	500

SUBTOTAL SHELTER MATERIALS COSTS 56,500

8. SHELTER CONTINGENCIES 3,775

TOTAL SHELTER COSTS..... 72,000

DOLLAR EQUIVALANT..... 36,000

MEDICAL (MEDICAL CORPS ADMIN)

9. RENTALS, UTILITIES, GUARD	7,350
10. OFFICE SUPPLIES	7,000
11. VEHICLE RENTALS (2)	4,800
12. VEHICLE MAINTENANCE	9,000
13. FUEL & LUBRICANTS	10,000
14. CLOTHING FOR PATIENTS	4,000
15. OTHER (FUELWOOD, BUTANE, LAUNDRY)	1,600
16. MEDICAL CONTINGENCIES	2,250

TOTAL MEDICAL..... 46,000

DOLLAR EQUIVALANT..... 23,000

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MONTHLY

LEMPIRAS DOLLARS

CATEGORY	LEMPIRAS	DOLLARS
ADMIN	176,000	88,000
SHELTER	72,000	36,000
MEDICAL	48,000	23,000
TOTAL	294,000	147,000

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(P5)

PRESUPUESTO MENSUAL PARA GASTOS ADMINISTRATIVOS

09-Jan-90

GASTOS ADMINISTRATIVOS (ALIMENTOS Y ROPA)

DESCRIPCION	PRESUPUESTO MENSUAL (LEMPIRAS)		
	(LEMPIRAS)	ALIMENTOS	ROPA
1. GASTOS DE EDIFICIOS DE OFICINAS			
OFICINA DE SUMINISTROS			
ALQUILER	3,500	2,800	700
GASTOS ENERGIA ELECTRICA	450	360	90
AGUA	150	120	30
TELEFONOS (2)	4,000	3,200	800
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL SUMINISTROS	9,350	7,480	1,870
BODEGA			
ALQUILER	2,500	2,000	500
GASTOS ENERGIA ELECTRICA	300	240	60
FOTOCOPIADORA: BODEGA SUMINISTROS	400	320	80
FOTOCOPIADORA: BODEGA AID	400	320	80
AGUA	85	68	17
TELEFONO	150	120	30
SUBTOTAL BODEGA	3,835	3,068	767
OFICINA DE FINANZAS			
ALQUILER	1,400	1,120	280
GASTOS ENERGIA ELECTRICA	300	240	60
AGUA	100	80	20
TELEFONO	2,200	1,780	440
MANTENIMIENTO FOTOCOPIADORA	1,250	1,000	250
SUBTOTAL OFICINA DE FINANZAS	5,250	4,200	1,050
OFICINA AYUDA FAMILIAR, BODEGA, Y CASAS DE DISTRIBUCION			
ALQUILER	4,050	3,240	810
GASTOS ENERGIA ELECTRICA	400	320	80
AGUA	100	80	20
TELEFONO	330	264	66
SUBTOTAL AYUDA FAMILIAR	4,880	3,904	976
SUBTOTAL EDIFICIOS DE OFICINAS	23,315	18,652	4,663

290