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EXECUTIVE SECRETARIAT
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Executive Secretary
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Date

3637 (10-81)

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United States Department of State

Washington, D.C. 20520

November 13, 1985

Executive Registry
85-3481/4

~~UNCLASSIFIED~~
~~(With SECRET Attachment)~~

Senior Interagency Group No. 54

TO : OVP - Mr. Donald Gregg
 NSC - Mr. William Martin
 CIA -
 Defense - COL David Brown
 JCS - MAJ Michael Emerson

25X1

SUBJECT: SIG Meeting Summary of Conclusions

Attached is the Summary of Conclusions for the SIG Meeting on Humanitarian Assistance for Nicaraguan Resistance Forces held on November 5, 1985.

Nicholas Platt
 Nicholas Platt
 Executive Secretary

Attachments:

1. Summary of Conclusions
2. List of Participants

~~UNCLASSIFIED~~
~~(With SECRET Attachment)~~



B-223B

SECRET

Senior Interagency Group No. 54

PARTICIPANTS: See List Attached

DATE AND TIME: November 5, 1985, 4:30 p.m.

PLACE: Deputy Secretary's Conference Room

SUBJECT: SIG Meeting on Humanitarian Assistance for
Nicaraguan Resistance Forces, November 5, 1985

The Undersecretary opened the meeting by noting that NHAO appears to have made real progress in getting the humanitarian assistance program underway. He then asked Deputy Assistant Secretary Michel for a report on activities related to the NHAO program in the Inter-Agency Group chaired by Assistant Secretary Abrams. Mr. Michel noted that the Inter-Agency Group had met several times since the first SIG meeting, and had satisfactorily resolved policy issues on NHAO presented at that level. Policy guidance has been provided with sufficient detail and rapidity to assist NHAO in developing its operational structure and to reassure the democratic resistance that humanitarian aid was being disbursed as quickly as possible. The Undersecretary asked Mr. Michel if there were any issues in the Inter-Agency Group which should be addressed in the SIG. Mr. Michel indicated that there were none.

The Undersecretary noted that all participants had received copies of the draft report to Congress on NHAO disbursements to date, and asked Ambassador Duemling to brief the group on its contents. Ambassador Duemling noted that \$5.5 million had been obligated to date, and that disbursement activity has accelerated considerably as the program has progressed. There was some discussion of the advisability of flagging in the report the needs of the resistance forces for other types of assistance than those presently provided by NHAO. It was agreed that the report should be submitted to the Congress as written. The Undersecretary stated that we should be prepared to brief appropriate members of Congress in further detail on NHAO activities. He also requested that the policy issue of whether NHAO should provide other categories of assistance and the need for Congressional consultations on this issue be examined in the Inter-Agency Group.

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The Undersecretary asked Ambassador Duemling if he anticipated any problems in disbursing the full \$27 million in humanitarian assistance by the March 31 deadline. Ambassador Duemling noted that in some respects the program was "front-loaded" in that NHAO disbursement has been responsive to accumulated resistance needs. It was difficult to anticipate, but he has pressed for estimates of projected requirements. Mr. Michel noted that full NHAO funding could be obligated, if not completely expended, before March 31.

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SIG MEETING

HUMANITARIAN ASSISTANCE FOR NICARAGUAN RESISTANCE FORCES

November 5, 1985, 4:30 p.m.

Deputy Secretary's Conference Room

PARTICIPANTS

State

Under Secretary Armacost
James Michel
Robert Duemling
William Walker
Ron Godard, Notetaker

NSC

LTC Oliver North

Observers:

CIA



Defense

Nestor Sanchez

JCS

LTG John H. Moellering
Col Stephen Crocker

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**EXECUTIVE SECRETARIAT
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Remarks

this, CIA and DoD are observers vice members.)

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Executive Secretary
4 Nov 85

Date

3637 (10-81)



United States Department of State

Washington, D.C. 20520

November 1, 1985

Executive Registry
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Senior Interagency Group No. 54

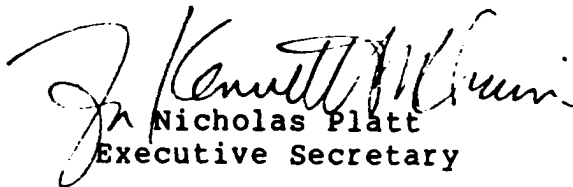
TO: OVP - Mr. Donald Gregg
 NSC - Mr. William Martin
 CIA -
 DOD - COL David Brown
 JCS - MAJ Michael Emerson

25X1

SUBJECT: Senior Interagency Group on Humanitarian Assistance for Nicaraguan Resistance Forces

Under Secretary Armacost will chair a meeting of the SIG on Humanitarian Assistance for Nicaraguan Resistance Forces on Tuesday, November 5, 4:30 p.m. in Room 7219 of the Department of State. An agenda for the meeting is attached, along with a copy of the proposed report to Congress on NHAO's operations. The SIG will be asked to review and endorse the report.

Please telephone names of your representatives to Sheila Lopez, 632-5804 by cob November 4.


 Nicholas Platt
 Executive Secretary

Attachments:

1. Agenda
2. Proposed Report to Congress

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Senior Inter-Agency Group Meeting

November 5, 1985

NICARAGUAN HUMANITARIAN ASSISTANCE

AGENDA

- I. Review of developments
- II. Report on RIG Activities (Abrams)
- III. Report on NHAO Activities (Duemling)
- IV. Discussion of Congressional Report

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NICARAGUAN HUMANITARIAN ASSISTANCE OFFICE

On August 29, 1985, President Reagan signed Executive Order 12530 creating the Nicaraguan Humanitarian Assistance Office (NHAO) for the purpose of disbursing \$27 million in humanitarian aid to the Nicaraguan democratic resistance. On September 9, the President designated Ambassador Robert W. Duenling as Director of NHAO.

The NHAO staff consists of the Director, five supervisory and two clerical personnel, all detailed on a non-reimbursable basis from federal agencies (State, AID and USIA), with the exception of the Director, whose salary is reimbursed to State from the humanitarian assistance program funds. Office space in a government-leased building is charged to program funds, but furnishings and equipment have been borrowed at no charge. Administrative support, including legal advice from the Office of the Legal Adviser, is provided by the Department of State.

The Executive Order assigned responsibility for policy guidance to the Secretary of State and his designees. The Secretary has established a Senior Inter-Agency Group, chaired by the Under Secretary for Political Affairs, to establish basic policy and exercise oversight of NHAO activities; policy guidance for day-to-day NHAO operations is provided by the Assistant Secretary of State for Inter-American Affairs, who chairs an inter-agency group that assures effective coordination.

As a matter of policy, the United Nicaraguan Opposition (UNO) was designated to be the initial recipient for humanitarian assistance distributed by NHAO. UNO is an umbrella organization which brings together the largest number of anti-Sandinista political and paramilitary elements. It is led by Adolfo Calero, Arturo Cruz and Alfonso Robelo; its principal components include the Nicaraguan Democratic Force (UNO/PDN), the Armed Forces for Revolution in Nicaragua (UNO/FARN), and a coalition of Atlantic Coast Indians and Creoles (UNO/KISAN). Using UNO as a conduit for assistance serves the policy objective of encouraging cohesion within the democratic resistance; it also simplifies administrative procedures and restrains administrative costs.

METHOD FOR FUNDING

NHAO is disbursing funds for four basic categories of goods and services: food, clothing, medicine and medical care, and equipment. NHAO also provides funds for transporting supplies to Central America.

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Funds for these goods and services are being provided to UNO through a series of grants, each of which obligates a fixed amount of humanitarian assistance funds for the use of UNO, subject to certain terms and conditions. While the grant gives UNO a conditional legal entitlement to the funds, NHAO retains actual possession of the funds and administers their disbursement. To date, three major grants totaling \$5.5 million and a smaller grant of \$25,000 have been issued. Once a grant has been issued, UNO identifies the goods or services it needs and a suitable vendor, and negotiates the terms of a proposed sale to UNO. These terms are set forth on a pro forma invoice which UNO submits to NHAO. The pro forma invoice is reviewed by NHAO to ensure that the goods or services are humanitarian assistance within the meaning of the law, and that the payment requested is appropriate for value received. NHAO also monitors the quantity of items, to assure against an oversupply so substantial as to suggest a possible risk of diversion. If the proposed purchase is approved, NHAO authorizes UNO to make the purchase. NHAO signals its approval to the vendor through issuance of a letter of commitment. After shipment or delivery has been verified, NHAO pays the vendor directly from UNO grant funds.

Monitoring and verification of procurement and delivery take several forms, depending on location. Within the United States, NHAO representatives are able to make on-site inspections of supplies as they are aggregated for shipment to the field. To monitor supplies and services contracted and delivered abroad, NHAO relies on reports from all available sources to confirm that actual transactions conform to the relevant documentation.

DELIVERY INCIDENT

On October 10, an UNO charter flight paid for by NHAO and carrying supplies purchased under NHAO auspices landed apparently without permission in Tegucigalpa, causing the Honduran Government to take custody of the cargo. Discussions between the American Embassy and the Honduran Government resulted in the cargo being released and returned to the United States.

SUMMARY OF PAYMENTS

Attached in tabular form is a summary of NHAO disbursements and commitments to pay, through October 31, 1985.

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1. NHAO Grants to UNO (to be disbursed through letters of commitment)

Grant 601 - \$1,000,000 (Issued October 3, 1986)
 Grant 602 - \$1,500,000 (Issued October 15, 1986)
 Grant 603 - \$3,000,000 (Issued October 29, 1986)
Total - \$5,500,000

In addition to the above three grants for food, clothing and medical supplies, NHAO issued a small fourth grant signed October 17, 1986 for \$25,000 (Grant 641-001) to fund an UNO office in Washington, D.C. The grant stipulates that the activities of that office must be strictly limited to the provision of liaison services between UNO and NHAO to facilitate the operation of the program. This liaison office grant differs from the other three in that it permits UNO to receive a small advance payment of cash to cover administrative expenditures, which expenditures must be documented and justified before further cash advances are made.

2. UNO EXPENDITURES FROM GRANTS THROUGH 10/31/85

Total Humanitarian Assistance.....\$4,660,928

Food	\$1,257,189
Clothing	\$2,070,807
Medical	\$553,421
Equipment	\$639,561
Transport	\$139,950

Total UNO Liaison Office Expenses.....\$7,500

NHAO EXPENDITURES THROUGH 10/31/85

Total Administrative Expenses.....\$23,640

Direct Personnel Costs	\$13,374
Travel	\$4,800
Office Rent	\$3,666
Telephone toll calls	\$1,200
Miscellaneous	\$600

GRAND TOTAL.....\$4,692,068

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ITEMIZED PROGRAM COMMITMENTS THROUGH 10/31/85

<u>Grant-Letter of Commitment No.</u>	<u>Item, Quantity</u>	<u>Value</u>
<u>I. Food and consumables</u>		
602-001	various foodstuffs	\$196,875
602-008	various foodstuffs	\$214,982
603-007	various foodstuffs	\$827,872
603-008	various foodstuffs	\$17,460
	<u>Category Subtotal:</u>	<u>\$1,257,189</u>
<u>II. Clothing</u>		
601-001	waterproof material (21,000 yds)	\$32,970
	caps (10,000)	\$12,500
601-002	socks (2,000 doz. pr.)	\$17,000
601-003	boots (16,000 pr.)	\$496,000
	shirts and trousers (3463)	\$55,408
601-004	boots (1,000 pr.)	\$19,150
601-005	boots (1,080 pr.)	\$22,200
602-003	boots (500 pr.)	\$9,575
602-005	shirts and trousers (15,000)	\$243,750
602-006	sewing labor costs for manufacture of 6,351 shirts and trousers	\$41,282
602-009	suspenders (6,000)	\$19,500
	belts (10,000)	\$27,500
602-010	boots (10,000)	\$305,000
602-011	ponchos (20,000)	\$178,400
603-001	boots (15,000)	\$457,500

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603-002	belts (6,120)	\$18,972
	trousers (5,300)	\$5,300
	suspenders (1,077)	\$700
603-010	boots (6,800)	\$108,100
	<u>Category Subtotal:</u>	<u>\$2,070,807</u>

III. Medicine and Medical Care

601-007	medical expenses for wounded Nicaraguan	\$4,350
602-007	pharmaceuticals	\$38,540
602-010	stretchers (10)	\$220
	basket stretchers (5)	\$300
603-008	pharmaceuticals	\$10,011
603-009	pharmaceuticals and medical equipment	\$500,000
	<u>Category Subtotal:</u>	<u>\$553,421</u>

IV. Equipment

601-001	backpacks (4,000)	\$45,400
	large tents (7)	\$8,050
601-002	poncho liners (20,000)	\$230,000
601-009	mountain rescue equipment	\$970
	canteen covers (10,000)	\$17,500
	mess trays (100)	\$525
602-004	watches (1,000)	\$13,750
	cargo straps (100)	\$600
	flashlights (5,000)	\$14,905
602-009	pouches (4,000)	\$13,400
	flashlights (8,064)	\$24,192
	bags (4,000)	\$8,400
	canteen covers (6,000)	\$16,200
602-011	canteens (10,000)	\$5,800
	fabric storage tanks (13)	\$9,750

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602-013	farm tools	\$22,261
603-003	canteens (6,120)	\$3,978
603-004	web belts (500 dz)	\$6,000
603-005	spray paint (2,432 cans)	\$6,880
603-006	hammocks (20,000)	\$191,000
	<u>Category Subtotal</u>	<u>\$639,561</u>

V. Transportation

601-006	air charter service (two round trips from the US to Central America)	\$35,850
602-002	air charter service (two round trips from the US to Central America)	\$35,850
603-007	ground transportation	\$68,250
	<u>Category Subtotal:</u>	<u>\$139,950</u>

GRAND TOTAL: \$4,660,928

Notes

--Several letters of commitment included receipts for goods or services in more than one category. Letter of commitment numbers for such cases will appear under more than one category heading.

--601-008 was drawn up but not issued; thus it was not included above. The receipt in question will be paid through a later letter of commitment

--602-012 was not completed in time for submission with this report.

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[Signature]

Executive Secretary

23 Sept 85

Date

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Washington, D.C. 20520

Executive Registry
85- 3481/1

September 21, 1985

UNCLASSIFIED
(With SECRET Attachment)

Senior Interagency Group No. 54

TO : OVP - Mr. Donald Gregg
NSC - Mr. William Martin
✓ CIA -
Defense - COL David Brown
JCS - MAJ Michael Emerson

25X1

SUBJECT: SIG Meeting Summary of Conclusions

Attached is the Summary of Conclusions for the SIG Meeting on Humanitarian Assistance for Nicaraguan Resistance Forces held on September 13, 1985.

Nicholas Platt
Nicholas Platt
Executive Secretary

Attachments:

1. Summary of Conclusions
2. List of Participants

UNCLASSIFIED
(With SECRET Attachment)



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Washington, D.C. 20520

September 20, 1985

SECRET

Senior Interagency Group No. 54

PARTICIPANTS: See List Attached

DATE AND TIME: September 13, 1985, 3:15 p.m.

PLACE: Secretary's Conference Room

SUBJECT: SIG Meeting on Humanitarian Assistance for Nicaraguan
Resistance Forces, September 13, 1985

Secretary Shultz opened the meeting by stressing the importance of getting the funds to those for whom they were intended quickly and enthusiastically, but with care to remain true to the Congressional purpose in voting the funds. It is important to administer the program so as: (1) to aid our friends in Nicaragua; and (2) to contribute to developing support for the President's program.

The Secretary wanted SIG participants to have an opportunity to express their views as the program got under way. Assistant Secretary Abrams and his Interagency Group will watch over the program, provide policy guidance, and ensure that the activities of the new organization are fully coordinated with the situation in Nicaragua.

The Secretary introduced Ambassador Duemling, the newly designated Director of the Nicaraguan Humanitarian Assistance Office (NHAO). Ambassador Duemling's role will be to create a system to administer the assistance program. A priority task will be to establish proper auditing and monitoring measures. Assistant Secretary Abrams and the IG will need to identify appropriate recipients.

Ambassador Duemling reported on his progress to date. He noted that his first Congressional appearance will be before Lee Hamilton's Committee on September 19. On September 18, he will be joining Assistant Secretary Abrams in a meeting with the

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leadership of the Unified Nicaraguan Opposition (UNO). UNO must understand the guidelines under which the program will operate to ensure that UNO requests are appropriate.

Ambassador Deumling identified three interrelated issues to be addressed:

(1) How to ensure that what is provided stays within the limits of the law and the policy guidance provided by the Abrams Interagency Group;

(2) How to establish adequate accountability without inhibiting unnecessarily the flow of assistance;

(3) How to assemble a qualified staff to administer the program.

All agencies noted that administration of the program would be difficult and pledged their full support to ensure the NHAO's success.

Secretary Shultz closed the meeting by noting that his purpose in attending the first meeting of the SIG was to underscore the importance of this initiative. Under Secretary Armacost will chair subsequent meetings. The Secretary was confident that Ambassador Duemling could count on the support of all agencies in carrying out his responsibilities.

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SIG MEETING

HUMANITARIAN ASSISTANCE FOR NICARAGUAN RESISTANCE FORCES

September 13, 1985, 3:15 p.m.

Secretary's Conference Room

PARTICIPANTS

State Secretary Shultz, Chairman
Under Secretary Armacost
Assistant Secretary Abrams
Robert Deumling
William Walker
James Michel
Richard Milton, Notetaker

NSC ADM John M. Poindexter
LTC Oliver North

CIA



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Defense Fred Ikle
Richard Armitage

JCS ADM Arthur Moreau
COL Stephen Crocker

EXECUTIVE SECRETARIAT
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13	D/OLL				
14	D/PAO				
15	VC/NIC				
16	C/CATF/DO		X		
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Executive Secretary
18 Sep 85

Date



United States Department of State

Washington, D.C. 20520

September 12, 1985

Executive Registry
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Senior Interagency Group No. 54

TO: OVP - Mr. Donald Gregg
NSC - Mr. William Martin
CIA -
Defense - COL David Brown
JCS - MAJ Michael Emerson

25X1

SUBJECT: Senior Interagency Group on Humanitarian Assistance for Nicaraguan Resistance Forces

The Secretary of State would like to convene a meeting of representatives from your agencies to participate in a new Senior Interagency Group to exercise oversight over the activities of the Nicaraguan Humanitarian Assistance Office (NHAO). The Secretary will chair the first meeting of this SIG. Under Secretary Armacost will chair subsequent meetings and members of the SIG designated by your agencies should be at a comparable level. The group will meet at the Department of State in the Secretary's Conference Room on September 13 at 3:15 p.m. Attached is the agenda. Please telephone names of your representatives to Sheila Lopez (632-5804).

Nicholas Platt
for Nicholas Platt
Executive Secretary

Attachment:
As Stated.

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Senior Interagency Group on Humanitarian
Assistance for Nicaraguan Resistance Forces
September 13, 1985

AGENDA

- I. Purpose of the SIG
- II. Introduce Director of Nicaraguan Humanitarian Assistance Office (NHAO)
- III. Summary report on steps taken to begin operations
- IV. Identification of policy issues for Interagency review.