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THE WHITE HOUSE

WASHINGTON

October 22, 1986

~~SECRET~~NATIONAL SECURITY SECTION
DIRECTIVE NUMBER 223CENTRAL AMERICAIntroduction

Title II of the act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1987 and for other purposes, as contained in Public Law 99-500, approved on October 18, 1986 (the "Act"), sets forth United States policy toward Central America and, in particular, toward Nicaragua. In furtherance of the policy objectives set forth in the Act, the Congress has made available funds for increased assistance to the Central American democracies as well as assistance to the Nicaraguan democratic resistance. The use of these funds is made subject by the Act to a number of legal requirements. In addition, the maintenance of bipartisan support within the Congress is essential to the attainment of vital United States objectives in Central America. It is imperative that the authority and funds that have been provided by the Congress be used in a manner that best serves these vital United States objectives, meets all legal requirements and maintains the support of the Congress. Toward these ends, this directive establishes a structure for the implementation of the Act. (S)

I. Assistance for the Central American Democracies

A. Economic Support Fund Assistance. Subject to the policy guidance, coordination and supervision of the Secretary of State in accordance with Section 207(a) of the Act, the Administrator of the Agency for International Development shall utilize available funds for programs, projects and activities that will give maximum effect to the recommendations of the National Bipartisan Commission on Central America, including the establishment of a Central American Development Organization. (S)

The Secretary of State and the Administrator shall assure that the Congress and the public are informed on how this assistance is being used to implement a comprehensive strategy for reinforcing democratic trends, promoting economic recovery and growth, and broadening opportunities for the people of Central America. (S)

NSS Declassification Review [EO 13526]

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by Mary Ronan on 2/6/2014

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B. Full Funding of National Bipartisan Commission Recommendations. The Secretary of State, the Administrator, and the Director of the Office of Management and Budget shall each designate a representative to form a working group which shall direct the development of the plan and the preparation of the report required by Section 205(d)(1) of the Act. The working group shall be chaired by the representative of the Secretary of State and shall complete its work no later than February 1, 1987. The Secretary of Agriculture shall designate a representative for consultation with the working group on the effective use of agricultural commodities in accordance with Section 205(c)(2) of the Act. (S)

C. Facilitation of Participation by Central American Democracies in Regional Meetings and Negotiations. The \$2,000,000 provided by Section 205(d)(1) of the Act will be used by the Secretary of State to facilitate the participation of Costa Rica, El Salvador, Guatemala, and Honduras in regional meetings and negotiations to promote peace, stability, and security in Central America. The Secretary of State is authorized to use any balance of the \$2,000,000 specified in Section 205(d)(1) not needed for this purpose as a contribution toward meeting the initial costs of implementing a negotiated settlement of the Central American conflict, in accordance with Public Law 99-8. (TS)

II. Assistance to the Nicaraguan Democratic Resistance

A. Policy Guidance, Coordination and Supervision. The President's executive powers under the Constitution and the Secretary of State's responsibilities under Section 207(a) of the Act require an effective system for policy formulation, decisions and implementation. For this purpose there is hereby established the following special interagency structure which, except as otherwise provided herein, will function within the National Security Council (NSC) structure established by NSDD-2 of January 12, 1982. (S)

1. Interagency Group on Nicaragua (IG/N). To provide policy guidance, coordination, and supervision of activities relating to the Nicaraguan democratic resistance, the policies set out in the Act and related matters, a limited-attendance IG/N is established under the National Security Council structure. The IG/N shall be chaired by the Assistant Secretary of State for Inter-American Affairs and will include representation from the Department of Defense, the Central Intelligence Agency, the Joint Chiefs of Staff, and the National Security Council. Representatives of other departments and agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman. The IG/N will ordinarily meet at the White House. The IG/N will:

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- Ensure that proposed United States Government activities with respect to the Nicaraguan democratic resistance are fully integrated with United States diplomatic, economic, and security policy objectives concerning Nicaragua and Central America. (S)
- Review and approve the proposed program of assistance to the Nicaraguan democratic resistance, and the funding for that assistance. (S)
- Ensure compliance with all requirements of law, effective consultation with and reports to the Congress and the needs of public diplomacy in the conduct of programs and activities relating to the Nicaraguan democratic resistance. (S)
- Monitor the execution of approved policies and decisions and evaluate the adequacy and effectiveness of such execution. (S)

2. Senior Interagency Group, Nicaragua (SIG/N). To assure that senior policy officials are fully informed, and have the opportunity to review and develop policy options and objectives, the Under Secretary of State for Political Affairs will convene and chair regular meetings of the SIG/N at intervals not longer than 90 days. The membership of the SIG/N will consist of representatives of departments and agencies represented on the IG/N, above the rank of Assistant Secretary. The Deputy Assistant to the President for National Security Affairs (Foreign Policy) will represent the NSC on the SIG/N. The Under Secretary of State for Political Affairs will also convene and chair special meetings of the SIG/N as may be necessary to review issues that are not resolved by the Chairman of the IG/N and require immediate decision, or otherwise warrant review by senior policy officials. (S)

B. Program Implementation. Under the policy guidance, coordination and supervision provided by the interagency structure described above, the Central Intelligence Agency will carry out a comprehensive program of assistance for the Nicaraguan democratic resistance, including material, training, intelligence, political, and propaganda support. As may be requested by the Director of Central Intelligence, the Department of Defense will provide military advice; and the Department of Defense and other departments and agencies will provide personnel and other support consistent with law to facilitate timely and efficient program implementation and fulfillment of policy objectives. (S)

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III. Resource Allocations and Transfers. An Executive Order will allocate the funds transferred to the President to the Secretary of State. Under the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f), the Director of CIA will approve the transfer of \$97 million of the funds allocated to the Secretary of State to the Central Intelligence Agency. (S)

Ronald Reagan

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