On 12 January 1986, the foreign ministers of the Contadora Group and the Lima Group (the support group formed by Argentina, Brazil, Peru and Uruguay on July 28, 1985) released the Caraballeda Message. This document advocated the suspension of all external support to irregular forces, the suspension of international military manoeuvres in the region and the resumption of talks between the United States and Nicaragua. Four days later the governments of Central America endorsed this message in the Guatemala Declaration. Representatives of the Contadora and Lima Groups met with US officials in February to underline how important it was for the peace process that there should be no further outside support for irregular forces and insurrectionist movements in Central America.

After the February meeting representatives from the five Central American countries met on several occasions alone, and with their Contadora and Lima Group counterparts, in an attempt to have the treaty signed by 6 June 1986. On 7 June the Contadora countries presented the five Central American governments with a third draft treaty. This draft strengthened provisions prohibiting international military manoeuvres in the region and offered new guidelines for arms reductions. On 21 June Nicaragua announced its support for the revised draft. Costa Rica, El Salvador, and Honduras rejected the Act and the Salvadorean Government called for the restructuring or the dismantling of the Contadora Group.

On 25 June 1986 the House of Representatives of the US Congress voted in favour of extending \$100 million in aid (including \$70 million in military assistance) to the contra forces fighting against the Nicaraguan Government. The next day the International Court of Justice ruled that US military support for the contras breached international law and that Washington was under an obligation to cease these acts. In December 1986 questions were raised about the linkage between US arms sales to Iran and financial support for the contra forces. The House of Representatives voted to suspend the \$40 million remaining of the initial \$100 million aid