

Ministers of the Contadora and Support groups met in Caraballeda, Venezuela, to discuss specific recommendations for reducing tensions and promoting a peace agreement. In the "Declaration of Caraballeda," they called for a Latin American solution to the regional crisis, non-intervention in the affairs of other states, a cessation of external support for irregular forces, a freeze on arms purchases, arms reductions and the withdrawal of foreign military advisers, among other measures. Subsequently, in February, they met with Secretary of State George Shultz and asked the United States to co-operate with their efforts at negotiation by halting aid to the *contras*. Their request was rejected.

Although the peace process appeared to reach an impasse in 1986, both international developments and conversations among the Central American countries took on new dimensions. Contadora-aided negotiations between Costa Rica and Nicaragua on the establishment of a border commission did not reach the implementation stage; nevertheless, in May, for the first time since the Nicaraguan Revolution, the region's heads of state held a summit — in Esquipulas, Guatemala — where they agreed to continue dialogue, hold regular meetings and proceed towards the establishment of a Central American Parliament. In June, the ICJ ruled that the United States had broken international law by "training, equipping, financing and supplying the *contra* forces" and mining Nicaragua's harbours. The Court asked the United States to cease its illegal activities and pay reparations. In November, the UN General Assembly called on the United States to abide by the decision, and the Secretaries-General of the UN and the Organization of America States (OAS) — acting together for the first time — offered their services to Contadora. In addition, the institutionalization of the Contadora and Support groups reached a new level: at their December meeting in Rio de Janeiro, their Foreign Ministers announced the conversion of Contadora into a process of consultation on general issues of importance to Latin America.

Conversations on economic co-operation among all the Central American states also continued through a forum organized by the European Economic Community (EEC) at the behest of Contadora. The EEC held a series of meetings with the Contadora and Central American Foreign Ministers, to discuss regional and country-specific development assistance programmes. These took place in San Jose, Costa Rica, in September 1984; in Luxembourg in November 1985; and in Guatemala in February 1987. The United States' attempt to convince the EEC to exclude Nicaragua from participating was unsuccessful. At the same time, the governments of Costa Rica, El Salvador, Guatemala and Nicaragua, in October 1985, agreed on a common tariff on imports from outside the region.