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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

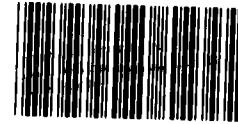
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INTERNATIONAL DIVISION

B-199535

FEBRUARY 6, 1981

The Honorable Peter W. Rodino, Jr.
Chairman, Committee on the Judiciary
House of Representatives



114341

Dear Mr. Chairman:

Subject: Construction and Operation of the
Refugee Processing Center in Bataan,
the Philippines (ID-81-27)

In response to your September 15, 1980, request we have reviewed (1) the use and management of U.S. funds in the construction and operation of the Refugee Processing Center in Bataan, the Philippines; (2) the administrative structure for the construction and operation of the Center; (3) the roles and efficiency of the various operating entities within the Center complex; and (4) the viability of the Center concept, and whether the Center is fulfilling its role/objective of relieving first-asylum countries of the burden of refugee care.

The results of our review are discussed in the enclosure to this letter. We found that:

- Because of several circumstances--the exhaustion of available funds, a diminishing flow of Indochinese refugees, negotiations over construction cost estimates and increased construction costs--the Center was constructed with a refugee capacity of 17,200 rather than 50,000, as originally planned.
- The administrative and operating structure of the Center appeared to be well conceived, and effective coordination between the various organizations and activities was being conducted.
- The rationale for channeling U.S. funds through the United Nations High Commissioner for Refugees to contract and administer the "English as a Second Language" program at the Center should be reconsidered before present arrangements are extended.

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- While fulfilling its role as a temporary holding center and reducing refugee populations in first-asylum countries, the Center also serves as a location for language and job training to facilitate refugee resettlement.
- Use of the Center by nations other than the United States was initially minimal because virtually all refugees moved to the Center were those guaranteed resettlement in the United States. Other resettlement countries, however, now plan to use the Center.
- Three matters need early resolution:
 - (1) completion of and equipment for the Center hospital; (2) a decision on how to use one building which was originally constructed as a guest house; and (3) resolution of a fundamental disagreement between the Commissioner's senior representative in the Philippines and the Center Administrator (an official of the Philippines Government) concerning the Commissioner's role in overseeing Center expenditures.

We did not obtain written comments from the Department of State on the matters discussed in this report; however, the contents were discussed with appropriate refugee program officials and their comments have been considered in preparing the report.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 7 days from the date of the report. At that time, we will send copies to interested parties and will make copies available to others upon request.

Sincerely yours,


for J.K. Fasick
Director

Enclosure

REFUGEE PROCESSING CENTER:
BATAAN, THE PHILIPPINES

USE AND MANAGEMENT OF U.S. FUNDS

The United States and other nations have donated funds to the United Nations High Commissioner for Refugees (UNHCR) to establish and maintain a refugee processing center (RPC) in the Philippines. Total U.S. contributions to the Philippines RPC was \$15 million: \$9 million for construction and \$6 million for first-year operations. Because contributions are on an unrestricted basis, the U.S. Government is not directly involved in managing the funds.

The operation of the RPC is funded by the UNHCR through a special project. As a special project, the UNHCR must solicit contributions from member countries. In the case of the RPC, the United States has taken the position that care of refugees at the RPC should be funded from the UNHCR general program budget rather than as a special project. The United States views RPCs as being one part of the overall camp system for Indochinese refugees in Southeast Asia and has informed the UNHCR that its contributions for the care of Indochinese refugees may be freely applied, including the costs of refugee care at RPCs. U.S. contributions to this overall camp system (RPCs plus first-asylum camps) will be limited, however, to 30 percent of total UNHCR costs for Indochinese refugees. The UNHCR has accepted the U.S. position and other major donors have not objected.

The United States had intended to limit its share of construction costs for the two RPCs to 30 percent of the total cost. In view of the urgent need to start construction, and because the United States initially proposed the RPC concept and appropriated funds were available, the United States permitted its contribution to be used to begin the project. Subsequently, the Philippines RPC plan was reduced from 50,000 to 17,200 refugees, a figure within the total contributions which were then available. The final share of U.S. contributions in the RPC construction was about 39 percent.

As a major donor, the United States can and does attempt to influence the UNHCR concerning expenditures. As an international organization, however, the UNHCR is not subjected to individual nations and it expends funds according to its own principles and judgment.

The U.S. Refugee Office works closely with the UNHCR and the Government of the Philippines to minimize RPC operating costs. U.S. Refugee Office officials are usually informed,

and their advice is often sought, on administrative affairs of the RPC. The UNHCR and U.S. Refugee Office officials agree that consistent efforts must be made to assure that the RPC does not become too costly to maintain and operate and that refugee living standards do not rise substantially above those of the nearby Filipino community.

CONSTRUCTION AND OPERATION
OF THE BATAAN RPC

The large exodus of refugees from early to mid-1979 created a need to alleviate the refugee burden on first-asylum countries. Thailand and Malaysia had started to turn refugees back to sea, as Singapore had always done. In February and May of 1979, the concept of a processing center was discussed at meetings of the Association of Southeast Asian Nations. In May, Indonesia offered an RPC site for 10,000 refugees; in July, the Philippines offered a site for 50,000.

Because the construction and operation of RPCs are funded as a special project, the UNHCR made a special appeal to its member nations for contributions. At the time of our field-work, contributions for the Bataan RPC were:

<u>Donors</u>	<u>Contributions</u>
Federal Republic of Germany	\$ 3,333,333
Japan	5,000,000
Republic of Korea	1,000,000
Switzerland	602,410
United States (Construction)	9,000,000
(Operation--first year)	6,000,000
Netherlands Committee	<u>400,000</u>
Total	<u>\$25,335,743</u>

The UNHCR and the Philippines agreed on November 12, 1979, to construct and operate an RPC to initially hold 10,000 and ultimately hold 50,000 refugees. The RPC, was finally constructed in two phases: Phase I for the initial 10,000 refugees and Phase II for an additional 7,200 refugees.

Construction of Phase I began December 17, 1979, and was substantially complete in January 1980. Phase I consisted primarily of refugee housing; community, administration, and health facilities; a water supply and sewerage system; and a power system. Phase II construction started in May 1980 and was substantially complete in September. At the time of our visit to the RPC, Phase I was finished and Phase II was about 95 percent complete.

The RPC has a holding capacity of 17,200 persons. The Center opened on January 21, 1980, when 113 refugees were moved there. By the end of November, the population was 17,190.

Negotiations between the UNHCR and the Philippines over the reasonableness of cost estimates to construct Phase II delayed construction at a time when construction costs were rising. Additionally, the estimates of the future outflow of Indochinese refugees changed so that the holding capacity of the Center was reduced.

Three unresolved issues affect present RPC operations. These include (1) the completion of and equipment for the RPC hospital; (2) the use to be made of a costly guest house at the RPC; and (3) a dispute between the Philippines and the UNHCR regarding the Commissioner's authority over the use of funds for RPC operations.

Negotiations for Phase II construction

When the RPC agreement was signed in November 1979, the UNHCR estimated the cost of 10,000 spaces at \$6 million. The UNHCR had hoped to start negotiations on the Phase II construction budget in February 1980; however, the Philippines did not submit a budget to the Commissioner until March, at which time the estimate was set at \$14.8 million. Reasons for the higher cost estimates for Phase II were attributed to

- a continuing inflation rate of about 30 percent;
- past and anticipated increases in the minimum wage;
- a 50-percent increase in gasoline and diesel fuel costs;
- unrealistic low profit margins for contractors in Phase I; and

--differing construction standards on some Phase II facilities.

While Phase II negotiations continued, material, labor, and transportation costs continued to rise. Finally, the UNHCR informed the Philippines that the combined construction costs for Phases I and II could not exceed \$20 million because of available contributions. The UNHCR approved the Phase I budget at \$11.1 million, leaving \$8.9 million for Phase II construction. The Philippines suggested, and the UNHCR agreed, that the Philippines would construct the maximum number of housing units and facilities possible with available Phase II funding.

Reductions in the initial \$14.8 million Phase II estimate were made proportionately by reducing the size and holding capacity of the RPC from 10,000 to 7,200. Some structures were eliminated and systems, such as utilities, were changed. Contractors also agreed to reduce their profits. Further, the Philippines offered to fund and construct interior roads, the drainage system, and sodding. The UNHCR and the Philippines agreed on the construction budget in May 1980; Phase II was substantially completed in September.

Hospital construction and equipment delays

As part of Phase I, construction of an RPC hospital was started in January 1980. Under the RPC Administrator's direction, the original plans for the hospital were based on military standards. The UNHCR and the Philippines Ministry of Health subsequently disagreed with the plans and suggested modifications to follow Health Ministry standards for a civilian hospital. Modifications were made which changed the floor plans.

Although the building for the hospital is finished, changes to and disagreements on the final plans have delayed its full completion. When we visited the Center in November 1980, plans were still not complete. According to representatives of the architectural and construction firms, the hospital would have been completed in April 1980, had there been no changes to the original plans.

Another delay in establishing a functioning hospital is the dispute between the Philippines and the UNHCR concerning hospital equipment. Under the RPC agreement, foreign purchases of equipment are tax-exempt, but local purchases of

imported equipment are not. According to the UNHCR representative, exemption of local purchases from taxes is unprecedented and requires an Executive Decree. The UNHCR has requested that the Philippines waive the taxes but has received no reply. The UNHCR recently initiated actions for the foreign purchase of hospital equipment. However, if the estimate for obtaining equipment is delayed too long, the UNHCR representative told us that his organization would purchase it locally and pay the higher prices.

There is a definite need for an operational hospital. Each week, about three emergency cases are transported to the provincial hospital (60 kilometers away) or to a hospital in Manila. In the 10 months preceding our visit, 30 refugees had died, and one RPC doctor said that the survival chances for some would have been greater had there been a RPC hospital. A refugee official also pointed out that treating patients outside the RPC was much more expensive.

Guest house construction

A large guest house for visiting dignitaries was constructed at the RPC at a cost of over \$93,000. Construction began in January 1980 and was substantially finished by May. The interior of the building is yet to be finished. According to the UNHCR representative, the Philippines insisted on constructing the guest house as part of their concept of hospitality for visiting dignitaries. The UNHCR argued against the guest house construction, but was unsuccessful in convincing the Philippines not to build it.

In November 1980, the Philippines were considering alternate use of the guest house. The U.S. refugee coordinator suggested that it be used as a recreation facility for the RPC staff to raise the morale of the resident staff and teachers and to provide them a needed place for privacy away from the refugees. The Philippines had not yet made a final decision on the ultimate use of the guest house at the time of our fieldwork.

Dispute between Philippines Government and UNHCR officials

The most serious issue threatening RPC operations is a dispute between the Philippines and UNHCR officials regarding the UNHCR authority over the use of funds for RPC operations. The RPC agreement states that the UNHCR is responsible for ensuring that proper receipts and expenditures are properly accounted for. The agreement also provides for the United Nations Board of Auditors to audit RPC operations.

The dispute involves the extent to which the UNHCR can question the need, appropriateness, and reasonableness of expenditures before the Government of the Philippines enters into contracts or makes expenditures for items or services for the RPC operations. The Philippines takes the position that the UNHCR has no authority to pre-audit its planned use of funds as long as its expenditures are within the budget limitations; to do otherwise, would invite UNHCR interference in its sovereignty over the administration and operation of the RPC. The UNHCR views such prior approval as an obligation to satisfy and justify RPC expenditures to its donor member nations.

UNHCR, Philippines, and U.S. Refugee Office officials hope that the dispute will be resolved through a more detailed budget for second-year RPC operations. The Phase I construction and first-year operating budgets were very general in stating how the funds were to be used. Negotiations have started on the second-year operating budget and when UNHCR and Philippines officials agree on this budget, the issues underscoring the current dispute should be largely resolved.

The United Nations Board of Auditors completed their first audit of the RPC and issued its report in October 1980. The Board of Auditors recommended that the RPC agreement be revised to include and define the UNHCR authority to control expenditures,

"* * *including the right to refuse to meet an obligation which in its opinion was unnecessary, excessive or which should have received the prior authorization of the UNHCR before being incurred. In this connection special effort should be made to identify certain major expenditures which need prior agreement or consultation of both parties before being incurred."

Such a revision to the agreement would be desirable.

ADMINISTRATIVE STRUCTURE OF THE RPC

The administrative structure of the RPC appeared to be working well and coordination between the various organizations and activities appeared reasonable and effective. The roles and the responsibilities of the primary operating entities are discussed below.

The Government of the Philippines

In August 1979, the President of the Philippines established a Task Force on International Refugee Assistance and Administration. The task force is responsible for establishing, building, and administering the RPC. The President also designated the general manager of the National Housing Authority as the Center administrator.

The Philippines goal for the RPC is to transform refugees from displaced individuals into people well prepared for productive and meaningful lives in the countries of final destination. According to a State Department official, the Philippines did not want a place where despondent and destitute refugees are housed but rather a center where people could immigrate humanely.

The RPC Administrator hires and supervises a working staff; establishes operational policies and procedures; coordinates all assistance to refugees; develops budgets; and obligates and spends funds provided on the refugees' behalf for food, water, shelter, medical care, supplies, education, and training.

At the time of our visit, the RPC Administrator had a staff of 186 Filipinos. The number of personnel is based on Phase I occupancy and will be increased when the second-year budget is approved. In addition to carrying out the Administrator's policies and RPC objectives, the staff conducts audits and evaluations of administrative, financial, and internal functions; compiles and collects information about the RPC population and operation; and coordinates all assistance to refugees. Refugees also participate in the RPC administration and operation.

Interagency participation

Many domestic and international, private and public agencies assist the RPC Administrator in achieving the goals of the RPC. These agencies provide a network of activities involving reception, care, training, and resettlement. Government agencies of the Philippines which are involved represent housing, national defense, social work, public works, health, banking, postal services, and foreign affairs. Voluntary agencies and religious organizations also provide programs and services.

The RPC administrative staff oversees the need for, and appropriateness of, the various RPC programs and services. We met with representatives of four of the five major voluntary

agencies, who commented that the operating groups were functioning well together and that the necessary facilities and support were present for them to effectively carry out their programs and services.

United Nations High Commissioner for Refugees

One of the Commissioner's most important responsibilities is the international protection and care of refugees. Because the Philippines willingly accepts refugees, however, the UNHCR has a relatively small role in protection at the RPC. This protection role basically involves monitoring the Philippines operation of the Center.

The UNHCR provides the financial assistance which the Philippines needs to provide food, water, shelter, supplies, medical care, and training for refugees at the RPC. A UNHCR comptroller disburses and monitors the funds provided to the Philippines and an assistant comptroller at the RPC monitors the daily operations.

Other activities of the UNHCR in the RPC include monitoring and evaluating the "English as a Second Language and Cultural Orientation" program (ESL/CO) and making sure that refugees are adequately cared for in terms of social programs. A UNHCR language training officer sees that funds are spent according to the ESL/CO contract. A UNHCR social services officer consults and advises the RPC staff about the inclusion and scope of certain social programs.

U.S. Refugee Office

The U.S. Refugee Office, headed by a Refugee Coordinator, is situated in the Philippines and is directly responsible to the U.S. Ambassador for carrying out and supervising the refugee program. Assisting the Refugee Coordinator are State Department refugee officers and Joint Voluntary Agency (JVA) and Intergovernmental Committee for Migration (ICM) representatives. The U.S. Refugee Office staff has a role in the activities of the first-asylum camp in the Philippines as well as the RPC. According to the Refugee Coordinator, about 80 percent of their time is concerned with RPC operations. The Coordinator is also a refugee liaison between the Philippines, the UNHCR, and other international organizations.

Although the United States is not directly involved in RPC administration, the U.S. Refugee Coordinator and/or his staff are included as official observers in budget negotiations, and are informally consulted about operating practices. A U.S. refugee officer visits the Center about 3 days each week to assure that there are no impediments to processing refugees through the center.

Joint Voluntary Agency

The International Catholic Migration Commission (ICMC), on behalf of the members of the American Council of Voluntary Agencies, is a nonprofit, nongovernmental organization under contract by the State Department, to conduct the documentation and processing of U.S.-bound refugees under the Refugee Coordinator's direction. The JVA staff completes the processing requirements on RPC refugees by updating biographical information and arranging sponsorships.

Intergovernmental Committee for Migration

The Intergovernmental Committee for Migration is an independent, international organization under contract with the U.S. Government for the medical processing and transportation of U.S.-bound refugees to and from the RPC. The staff of this organization screens, documents, and treats refugees in accordance with U.S. Public Health Service guidelines.

VIABILITY OF THE RPC

The principal justification for the 50,000-capacity RPC in the Philippines was to relieve some of the pressure on first-asylum countries by moving large numbers of low-priority refugees from overcrowded camps to remotely located long-term holding centers. The RPC has evolved into a 17,200-capacity, short-term holding and pre-settlement training center.

Prior to the July 1979 offer by the Philippines to build an RPC site, boat refugee arrivals in first-asylum nations had been increasing rapidly--at a faster rate than resettlement nations could accept them. As the refugee populations in these countries swelled, Southeast Asian nations began turning refugees back out to sea. Although the peak of the boat refugee crisis of 1979 had passed before the Philippines RPC was ready for occupancy, State Department officials believe that the promise of a refugee center contributed significantly to (1) calming fears among first-asylum nations and (2) the favorable change in attitude toward refugees in Thailand and Malaysia.

Both U.S. refugee and UNHCR officials believe that the RPC continues to fulfill its role of asylum relief. The U.S. refugee officials point out that without the Center, about 17,000 more refugees would be living in first-asylum country camps. The total number of refugees moved from first-asylum countries to the RPC is shown below.

<u>Country</u>	<u>Refugees moved to the RPC (November 30, 1980)</u>	<u>Percent</u>
Thailand	17,465	65
Malaysia	2,500	10
Philippines	1,468	5
Hong Kong	5,459	20
Singapore	<u>49</u>	<u>(Negligible)</u>
Total	<u>26,941</u>	100

About 65 percent of the refugees moved to the RPC have been taken from Thailand. Refugee officials told us that Thailand will continue to be favored for U.S. spaces in the RPC because of its large population of Indochinese refugees.

First-asylum relief

Although the RPC was built to less than half its originally planned capacity, both U.S. Refugee Office and UNHCR officials believe it is not critical to have a larger center unless resettlement drops off drastically or unless a large exodus begins.

By the end of Phase II construction, the UNHCR was unable to successfully obtain additional funds for further construction at the RPC. According to U.S. refugee officials, countries were reluctant to contribute because they did not anticipate using the Center. Because the refugee exodus was starting to stabilize, the UNHCR re-evaluation of the need for a 50,000-capacity center also affected the planned reduction.

When the Philippines made their offer for an RPC site in July 1979, about 30,070 refugees had arrived in first-asylum countries during that month. When RPC construction started in December, there were only 3,090 refugees arriving in those countries. Although the number of arrivals increased to 21,093 in July 1980, the average monthly exodus from December 1979 to August 1980 was just over 12,000.

In light of current resettlement efforts and the stabilizing refugee exodus, U.S. refugee and UNHCR officials believe the current capacity of the RPC is adequate. Refugee officials stated that in early 1981, Indonesia will have 10,000 spaces available at the Galang RPC. Additionally, 3,000 spaces in the Indonesian first-asylum camp is being used as an RPC and may also continue to function as such. The total processing center capacity therefore, could be as high as 30,200.

According to the UNHCR representative, there are no contingency funds, pledges or much international support to build the Center beyond Phase II. The representative believes that with the capacity of the Galang and Bataan RPCs that the Indochinese situation is adequately covered, but he admitted that the situation could change.

Expanded use of the RPC

Although the RPC functions in its intended role of reducing refugee populations in first-asylum countries, U.S. refugee officials are attaching more significance to the Center for presettlement training. Sometime after the idea of an RPC was proposed, U.S., Philippines, and UNHCR officials envisioned that the center could be more than a holding center. These officials told us that it was anticipated that refugees would receive some presettlement orientation, language instruction, and job training because refugees were expected to remain for several years at the Center. It was not until after Phase I construction began that a structured well-defined training curriculum was developed.

In March 1980, ICMC, using its own funds, started an interim English as a Second Language program at the Center. The program ended in June with 5,070 graduates. Due to arrival dates, about 78 percent of the students received 60 hours of English; the rest of the students received 20 hours.

On July 14, 1980, ICMC started its English as a Second Language program. The 1,000 refugees who had received only 20 hours in the interim program were enrolled in this program. These refugees graduated in October with 120 hours of English. A second group of 1,576 refugees enrolled in the program in August and received 180 hours of English.

In November 1980, the UNHCR--using 100 percent U.S. funds exclusively--contracted with ICMC for a \$1.3 million ESL/CO program for August 1980 through July 1981. The United States will spend about another \$1.26 million to construct dormitories, modify classrooms, and make other improvements. Given

in 12 weeks, the ESL/CO program consists of 216 hours of English language training and 100 hours of cultural orientation. On November 10, 1980, 640 refugees started the program.

The UNHCR, and the Philippines and U.S. Government officials are adamant that the RPC should not be used solely as a staging area. Officials also believe that any effort by third countries to use the RPC requires concomitant obligation for training. According to the UNHCR representative, training does not necessarily mean simply a language program. However, he said the training period should be compatible with U.S. training so that morale problems would not occur when some refugees left the RPC in 4 months and others left much later.

Contracting for the ESL/CO program

The intensive ESL/CO program is designed to facilitate the social and economic integration of the refugees in the United States. Because many refugees were coming to the United States without fundamental English skills or cultural preparation, escalating problems were experienced. Refugees were either ill-prepared for the job market or were becoming dependent upon others and the welfare system.

The State Department funds the ESL/CO program through the UNHCR. An initial contribution of \$10 million for fiscal years 1981 and 1982 was made to the UNHCR to support a Regional Service Center and various camp programs--including one at the Bataan RPC. The UNHCR is using the U.S. contribution to contract with various private and voluntary agencies to carry out the training. Specifications and procedures for the program were jointly developed by the State Department, the UNHCR, and others.

Basing the program in Southeast Asia represents considerable savings, according to the State Department. Establishing the Regional Service Center is designed to standardize curriculum and centralize functions which would otherwise be duplicated in individual camp programs. State Department officials expect additional savings from the decision to rely heavily on local, national teachers. Refugees enrolled in the ESL/CO program will be employable persons between the ages of 16 and 55. Such persons are estimated to comprise half the refugee population.

The ICMC budget provides that 188 Filipino teachers will teach English at an annual salary of \$3,376; U.N. volunteers, U.S. citizens, or university exchange students will teach cultural orientation. The ICMC program manager has no reservation about using Filipinos as teachers. He is confident of

their ability because the Philippines has an excellent English as a Second Language program, which is given early in childhood education. In touring the RPC, we visited several refugee English classes, ranging from initial pre-literates to advanced English speakers. Our impression is that the Filipino teachers are quite effective.

Since the contract was signed, the State Department has requested ICMC to prepare a new budget based on 3,750 instead of 3,000 refugees each month. This will require additional funds for teachers and dormitories. Based on the budget, the United States will need between 14,000 and 15,000 spaces at the RPC.

Although the United States has made an effort to make the ESL/CO program economical by conducting it overseas and by employing local national teachers, there may be room for further savings. Using the UNHCR to award ESL/CO contracts does not appear absolutely necessary.

As defined in the pledge letter, the UNHCR is to prepare quarterly financial reports, a final accounting of total expenditures and an evaluation of the activities conducted in fulfilling program objectives. Monitoring and evaluating the program will be accomplished through UNHCR language training officers, who will be primarily concerned that budgeted funds are used as intended and that expenses do not exceed authorization.

We noted a variety of views concerning the State Department decision to fund and allow the UNHCR to contract for the ESL/CO program. The State Department program coordinator thought that funding through the UNHCR made it easier to implement such a program and that it was compatible with one of the UNHCR roles of coordinating education activities. Although the State Department program coordinator agreed that there is some extra expense to UNHCR involvement, this official also noted that strengthening the UNHCR role and keeping the responsibilities for the refugees open to the international community were added benefits of the program.

Others involved in RPC activities also question the effectiveness and cost of carrying out a program in this manner. The U.S. Refugee Coordinator told us that he had raised some questions about the UNHCR involvement in the program and had suggested that at the end of a year, the State Department evaluate the UNHCR's effectiveness in the program, considering the alternative of a U.S. bilateral arrangement.

The UNHCR representative told us that he preferred that the ESL/CO program be a bilateral agreement between the United States and ICMC. He added that the UNHCR is normally not an operational organization and is only interested in training refugees, regardless of organizational arrangements. From an administrative view, the ICMC ESL/CO Program Director believes that involving fewer organizations in this situation is preferable. Nonetheless, he would like to see the contract arrangements remain unchanged.

Although the reasons cited for UNHCR involvement in the ESL/CO program may have merit, sufficient concern about the current contractual arrangements remains. Even though the United States would still incur some administrative costs in monitoring and evaluating the contract, we believe that the State Department should consider changing the arrangements at the end of the current contract period to directly contract for ESL/CO activities.

INTERNATIONAL USE OF THE RPC

In terms of funding, the RPC can be viewed as an international institution in that construction funds were provided by several countries and operational costs are borne by the UNHCR. International use of the RPC as originally envisioned, however, has not materialized. The State Department and other supporters of the RPC believed that the RPCs would encourage other countries to commit themselves to long-range resettlement programs by having a place to hold those refugees they had selected but could not be immediately resettled. State Department officials point out that international use was never considered a necessary element of the RPCs.

The Center has not been used by countries other than the United States except for 49 refugees bound for Germany. Interest in increased international use is growing, however. The UNHCR requested 600 spaces in the RPC in December for refugees bound for Germany and may need from 2,000 to 3,000 spaces for refugees in the months after December. France has expressed an interest in finding a training site for 1,000 refugees bound for France and may want to use the RPC. According to the UNHCR representative, on three occasions Norway inquired about using the RPC but managed to move refugees directly to Norway.

U.S. refugee officials would like greater international use to be made of the Center because this could suggest that third-country resettlement could increase. Officials told us that the State Department has been actively trying to get other countries to use the RPC for some time. One refugee official

commented that interest by other countries in using the RPC only started when the Germans placed 49 refugees there. Although the RPC is near maximum capacity with 99 percent of the refugees bound for the United States, State Department officials believe that this situation adversely affects neither expanded international use of the Center or the resettlement commitments of other countries. Because of constant traffic in and out of the RPC, space can be made available for refugees bound for third countries, as required. For example 2,200 spaces are now being reserved by the Federal Republic of Germany. In addition, the Galang RPC has ample space for refugees bound for other countries.

The UNHCR representative told us that by determining resettlement-country needs, he coordinates negotiations between the potential users of the Center through weekly meetings with the various embassies. He also said that meetings are held with U.S. refugee officials. Regardless of which countries use the Center, the Philippines Ministry of Foreign Affairs must approve all moves of refugees to the RPC. The U.S. Government also coordinates its plans to move refugees to the RPC through consultations with other resettlement nations which might use the Center.

According to the RPC Administrator, the Philippines does not care where the refugees are taken. The U.S. Refugee Coordinator told us that the Philippines has not put pressure to move its first-asylum population into the RPC; the only requirements on refugees moved into the RPC is that all must eventually be resettled and that the Philippines is free of refugee care expenses. The U.S. view is that refugees in the RPC are no different than those in first-asylum country camps. Whether countries are willing to continue contributing funds to the RPC that presently has nearly all U.S.-bound refugees, however, is uncertain.