

# Venezuela Political Talks Are Expected to Restart After US Midterms

- Government and opposition seen as poised to return to Mexico
- US has offered to ease sanctions for political concessions



An attendee holds a Venezuelan flag in Caracas, Venezuela. *Photographer: Carlos Becerra/Bloomberg*

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Venezuela's government and opposition parties are poised to restart political negotiations after the US midterm elections next week, a move that could lead the US to start easing some sanctions on the country's oil industry, according to people familiar with the process.

Delegations for the government and principal opposition parties are set to meet in Mexico City as soon as late next week, according to several people with direct knowledge of the negotiations. The wide-ranging talks would aim to reach agreements on conditions for Venezuela's 2024 elections, set up a humanitarian aid program and discuss US sanctions.

Restarting the negotiations, which fell apart a year ago, opens the door for the US to consider lifting some restrictions on the country, most of which were put in place by the Trump administration. Washington has dangled the idea of sanctions relief as a way to entice President Nicolas Maduro to return to talks with political opponents.

The talks have been long rumored to resume but the midterms are seen as key for them to finally move forward as engaging with the Maduro regime prior to the vote could cause political fallout.

"It's a very sensitive issue among certain segments of the US electorate when the Biden Administration is perceived as doing anything that is helping Maduro or more broadly 'catering' to an authoritarian regime," said Risa Grais-Targow, an analyst with Eurasia Group who follows Venezuela.

In an email, a spokesperson said the US State Department is not party to the talks and had nothing to report since the resumption of negotiations has not been announced publicly.

"Venezuelan-led negotiations are the only path to credible, free, and fair elections that reflect the will of the Venezuelan people in their efforts to revitalize democracy, rule of law, and respect for human rights," the spokesperson said.

Neither the Venezuelan government nor spokespeople for the opposition responded to messages seeking comment. Norway would moderate the meetings while Russia and the Netherlands would act as guarantors in the process, according to the people.

## **Oil Sanctions**

President Joe Biden is likely to have more flexibility on his foreign policy following Tuesday's elections, said James Bosworth, founder of Hxagon, a political risk consultancy.

"The result may be somewhat counter-intuitive. Presidents facing greater opposition in Congress often turn towards bolder foreign policy moves," he said. "Lifting of certain oil sanctions is likely in the coming months. Lifting of sanctions on debt is possible if there is greater progress."

As a first step, the US is willing to grant a limited license to Chevron Corp. that would loosen financial restrictions and allow it to receive payment for the oil it pumps in joint operations with PDVSA, the government's energy company, according to the people. The California-based driller has been limited by sanctions that prevent it from making new investments in the country.

The company's production in Venezuela has dropped by more than half this year to around 60,000 barrels a day, according to production figures seen by Bloomberg. Even under a scenario where the US lifts all restrictions, Chevron would still need years to refurbish fields and equipment.

A company spokesperson had no immediate comment about the impact of the Mexico talks.

Easing sanctions would provide a lift for Maduro, whose government is in need of cash as it tries to keep afloat an economic rebound that has brought some stability after years of crisis.

Asked about the path ahead in Venezuela at an event on Wednesday night, Juan Gonzalez, the US National Security Council senior director for the Western Hemisphere, said that Biden's direction is to "support a Venezuelan-led process that leads to the restoration of free and fair elections."

"Are we going to have a Jeffersonian democracy in Venezuela tomorrow? No. But I think steps in that direction are the ones that will lead to the alleviation of sanctions pressure," Gonzalez said at the annual dinner of the Inter-American Dialogue, a Washington-based think tank focused on Latin America and the Caribbean.

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The talks would aim at setting a date for presidential elections in 2024 and establishing a fund to be used for humanitarian purposes, such as rebuilding hospitals and the electricity grid, potentially with oversight by the United Nations. As much as \$3 billion in funds currently frozen abroad could be unlocked under the plan, the people said.

The government pulled out of negotiations in October 2021 after Maduro's ally, the Colombian businessman Alex Saab, was extradited to the US from Cape Verde to face money laundering charges. Through his attorneys, Saab has denied the allegations.


US officials traveled to Caracas in March and June to hold meetings with Maduro aimed at drawing him back to the negotiations. After the first rare visit, Caracas released two political prisoners. Weeks later, Washington eased some sanctions and took Maduro's relative, Carlos Malpica Flores, off the list of sanctioned individuals.

More recently, both countries carried out a prisoner swap in which several oil executives and a former US Marine were freed by Venezuela, and two of Maduro's family members were released by the US.

– *With assistance by Fabiola Zerpa, Nicolle Yapur and Eric Martin*

*(Adds comments from Biden administration official in 15th paragraph.)*

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