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FEATURED Q&A

How Interested Is Venezuela in Holding Elections?



U.S. Secretary of State Marco Rubio said last month that "there will have to be free and fair elections in Venezuela," but Venezuela's government has not committed to a timetable for a national vote. // File Photo: Damir via Adobe Stock.

Q National elections in Venezuela "will happen when they happen," Interior Minister Diosdado Cabello, who was a close ally of now-deposed President Nicolás Maduro, said April 13 in a televised statement, EFE reported. Although the administration of acting President Delcy Rodríguez has implemented notable reforms in oil and mining, it has yet to commit to a timetable for holding new elections. What factors explain Venezuela's slow progress on electoral and political reforms? To what extent has Rodríguez's government made progress in fulfilling demands from the administration of U.S. President Donald Trump? What is needed for Venezuela to hold free and competitive elections?

A Henry Ziemer, associate fellow for the Americas at the Center for Strategic and International Studies (CSIS): "Probably the most decisive factor explaining why Venezuela seems to be slow-walking electoral reforms is the lack of pressure from the United States. With the U.S. government pulled in all directions by ongoing conflict in the Middle East, as well as negotiations with Cuba even closer to home, it seems the Trump administration has put a premium on keeping Venezuela relatively stable, not rocking the boat too much by pushing for aggressive policy change. A lack of outward progress, however, does not necessarily mean the United States has abandoned the cause of a democratic transition in Venezuela. Instead, it could be the case that some of Delcy Rodríguez's cabinet reshufflings, especially the replacement of Defense Minister Vladimir Padrino López, could be

Continued on page 3

TODAY'S NEWS

POLITICAL

Cuba Won't Abide by U.S. Ultimatums on Prisoners: Ambassador

Cuba will not adhere to ultimatums from the United States on releasing inmates considered political prisoners, said the country's ambassador to the United States.

Page 2

POLITICAL

Guatemalan Court Orders Revision of Attorney General Candidates

Guatemala's Constitutional Court ordered a revision to a list of candidates from which the country's next attorney general will be selected.

Page 2

ECONOMIC

Brazilian Gov't Eyes Using Oil Revenues to Offset Fuel Taxes

Brazilian President Luiz Inácio Lula da Silva wants to use windfall oil and gas revenues to offset domestic fuel tax relief.

Page 2



Lula // File Photo: Brazilian Gov't via Flickr CC BY-ND 4.0 cropped.

POLITICAL NEWS

Cuba Won't Abide By U.S. Ultimatums on Prisoners: Diplomat

Cuba's government will not adhere to any ultimatums from the United States to release inmates considered political prisoners, Cuba's ambassador to the United States told the Associated Press Thursday in an interview. Internal Cuban issues relating to prisoners "are not on the negotiating table" during talks with U.S. officials, Ernesto Soberón Guzmán told the wire service. "We have our legal system, like here in the U.S., they have their legal system," Soberón Guzmán said. "So we have to respect both of our internal affairs," he added. The U.S.

“We have our legal system, like here in the U.S., they have their legal system.”

— Ernesto Soberón Guzmán

State Department responded to his comments by saying it is "committed to the release of all political prisoners," the AP reported. "The Cuban regime should stop playing games as direct talks are occurring. They have a small window to make a deal," the State Department added. The Cuban ambassador's comments followed a report Sunday in USA Today that U.S. diplomats two weeks ago gave Cuba a two-week deadline to release high-profile political prisoners. U.S. officials presented the demand during an April 10 meeting in Cuba, the newspaper reported, citing an unnamed source familiar with the matter. A senior official at the State Department also had a separate meeting with the grandson of former Cuban leader Raúl Castro during the trip, USA Today reported. Tension has been growing between Washington and Havana since U.S. military forces captured Venezuelan President Nicolás Maduro in a Jan. 3 raid in Caracas. Since then,

the Trump administration has blocked nearly all of Cuba's oil imports, worsening the island's economic crisis. Trump said last month that he would have "the honor of taking Cuba" and also recently said the United States "may stop by Cuba" after finishing the war in Iran, USA Today reported. [Editor's note: See related [Q&A](#) in the Feb. 19 issue of the Advisor.]

ECONOMIC NEWS

Brazilian Gov't Eyes Using Oil Revenues to Offset Fuel Taxes

The government of Brazilian President Luiz Inácio Lula da Silva will soon ask for congressional approval to use windfall revenues from oil and gas sales to further reduce domestic fuel taxes, Planning Minister Bruno Moretti told journalists on Thursday, Bloomberg News reported. As the conflict in the Middle East continues without resolution, leaving the Strait of Hormuz closed to regular commercial traffic and keeping global oil prices near \$100 per barrel, Brazil's government recognizes that "it's time to adopt new measures," Moretti said. Last month, Lula paused taxes on diesel and announced subsidies for liquefied petroleum gas, Reuters reported. Lula's administration will present a bill that includes "a partial reduction in taxes on gasoline and ethanol," Finance Minister Dario Durigan said on Thursday, Reuters reported. The exact scale of the tax reduction will depend on the volume of additional revenue that Brazil's government collects from the oil and gas sector, he added. State-run Petrobras, which dominates oil production in Brazil, announced Wednesday that it will release its preliminary first-quarter data on April 30. Each 10-cent reduction in federal gasoline taxes would result in \$795 million in lost revenue over the course of a full year, Bloomberg News reported. Earlier this week, Lula said that Brazil's federal government would also boost its coordination on fuel prices with state governments "so that we do not allow price increases stemming from this irresponsible war to reach

NEWS BRIEFS

Guatemalan Court Orders Revision of Attorney General Candidates

Guatemala's Constitutional Court on Thursday ordered a nominating commission to revise its list of candidates from which the country's next attorney general will be selected, Reuters reported. The court said time served as a judge cannot count toward the required years of legal practice for the position. The list of candidates that the commission produced earlier this week did not include current Attorney General Consuelo Porras, who has been internationally sanctioned over corruption allegations.

Colombia Hosting Summit on Transition Away From Fossil Fuels

Delegations from 50 countries will meet today in the Colombian city of Santa Marta for a summit on transitioning away from fossil fuels, the Associated Press reported. The summit, which is being organized by the governments of Colombia and the Netherlands, is expected to include debate on topics that are typically avoided in large international climate talks, the AP reported. "We are opening a space for discussion that does not exist," Colombian environment minister Irene Vélez Torres told the wire service.

Alleged Mastermind of Mexican Fuel Smuggling Ring Arrested in Argentina

Mexican authorities announced Thursday that Fernando Farías, a naval officer and the alleged leader of a fuel smuggling operation, has been arrested in Argentina and now faces extradition to Mexico, Reuters reported. Farías was detained in Buenos Aires in a joint operation between Mexican and Argentine authorities, Mexican Security Minister Omar García Harfuch said.

people's pockets," Valor Econômico reported. Speaking to reporters in Germany after a trip to Europe, he criticized the U.S. government for the ongoing war involving Iran and reiterated his desire for the conflict to be resolved through peaceful negotiation. "This war is a war of recklessness—a war that should never have happened. The United States is widely recognized as a very strong country and does not need to demonstrate its strength every day," Lula said, Valor Econômico reported.

BUSINESS NEWS

Brazilian Pension Funds Restrictions After Bank Failure

Public pension funds in Brazil are facing new restrictions following last year's collapse of Banco Master, Reuters reported today. Policymakers have imposed new limits on how pension funds, which were among the failed bank's biggest creditors, can invest, the wire service reported. The restrictions effectively limit pension funds to investing in sovereign bonds unless they can meet strict standards on governance, which only about 8 percent of public pension funds can currently fulfill, Reuters reported. The new limits will make it more difficult for the funds to meet their targets for long-term performance. As interest rates fall in Brazil, pension funds will find it difficult to deliver returns that are adequate for providing for accountholders' retirement, unnamed professionals in the sector told the wire service. Brazil's central bank liquidated Banco Master in November following serious liquidity problems, alleged violations of regulations and authorities' investigation into allegations of fraud and irregular credit operations. The following month, Brazil's National Monetary Council approved a new regulatory framework for pension funds, which took effect in February, the wire service reported. [Editor's note: See related [Q&A](#) in the March 25 issue of the biweekly Financial Services Advisor.]

FEATURED Q&A / Continued from page 1

serving to weed out elements of the military and security forces that would resist a future political transition. These forces remain the gatekeepers for any future government to successfully take and hold office, and they are liable to react forcefully to any perceived effort at curtailing their power. The lack of public commitments to hold elections may therefore be obscuring quieter efforts at military reform. However, if this is the strategy the United States is pursuing, much depends on whether Rodríguez and her allies are negotiating in good faith, which seems improbable at best. It also matters how much influence the United States expects to exercise over Venezuela in the future. While continued fears of military action and U.S. management of Venezuelan oil sales mean Washington's sway over Caracas is at its zenith today, domestic political developments or escalating crises in other regions could give the remaining Chavista inner circle greater room for maneuver in a year or two."

A **Geoff Ramsey, nonresident senior fellow at the Atlantic Council and senior Latin America threat intelligence analyst at**

Recorded Future: "The Venezuelan government has a clear set of incentives before it: to preserve the rule of the United Socialist Party (PSUV) while making concessions to the United States that don't threaten its hold on power. As a recent report by Recorded Future's Insikt Group—titled 'Understanding and Anticipating Venezuelan Government Actions'—underscores, acting President Delcy Rodríguez is likely prioritizing short-term governability, internal PSUV cohesion and economic stabilization over any meaningful reforms that could jeopardize elite cohesion or political control. In the rapidly evolving relationship between Caracas and Washington, Rodríguez's main threats come from within her coalition rather than from the opposition or from the United States. Figures like Diosdado Cabello and other elites who are close to the security and intelligence apparatus,

and who are skeptical of U.S. engagement and would likely resist any reforms that would risk a loss of PSUV power, have been carefully preserving influence to ensure they can't easily be swept aside. Facing this, Delcy is prioritizing economic openings that can satisfy Washington without tearing her governing coalition apart. Managing these internal divisions is a crucial priority for Delcy and explains why she has tiptoed around rivals rather than purging them outright, as when she fired Vladimir Padrino López as defense minister but promptly named him agriculture minister. For the United States, ensuring a transition will likely require a gradual and negotiated approach. Given the sky-high exit costs facing Chavistas and the government's proven record of stealing elections, it is a mistake to assume that a competitive election is all that is needed in Venezuela. Instead, the focus should be on building a re-institutionalization and negotiation process that ensures that this vote will actually be respected. As the stolen July 2024 election showed, a presidential election is absolutely necessary, albeit insufficient, condition for a transition."

A **Connor Pfeiffer, senior director of government relations at FDD Action:** "Left to their own devices, Delcy and Jorge Rodríguez will not hold elections a day earlier than they have to. That's why U.S. leverage will be essential to making Secretary of State Marco Rubio's third phase—transition—a reality. To date, the Trump administration has primarily focused on opening up Venezuela's economy to stabilize the country and get Venezuelan oil back on the market. Senior administration officials, however, have acknowledged that economic opening can only go so far without political change. As Secretary Rubio said on March 30, 'in order for Venezuela to fulfill its economic potential, it has to have a stable democratic government.' While many political prisoners have been released, nearly 500 remain behind bars, and the regime's current

Continued on page 4

FEATURED Q&A / Continued from page 3

amnesty law falls short of what the opposition needs to be able to compete fairly in any democratic process. In the coming months, the Trump administration must use U.S. leverage to ensure the interim authorities initiate key election-enabling steps. One of those priorities is starting the process of updating the voter rolls to ensure all eligible Venezuelan citizens, including those who had to flee the country, can participate. Another is reconstituting the National Electoral Council and Supreme Tribunal of Justice to ensure a credible election process. If there is not visible progress on these issues and the release of all political prisoners, the Trump administration should begin exercising its leverage to ensure Chavismo cannot simply wait out the United States and stay in power."

A **Maria Puerta Riera, adjunct professor of political science at Colorado State University Global Campus and Valencia College:** "Elections are not a priority for the Trump administration. The White House has emphasized that its focus is economic stabilization. That would explain the celerity in approving oil and mining reforms in Venezuela to expedite ongoing negotiations for investments in the country. More than an electoral reform, the interim government should comply with the constitution, and after 90 days of Maduro's absence, finally call for elections. This would trigger the much-needed National Electoral Council (CNE) overhaul with new authorities that would have to be chosen following the law under a more transparent process than what we have seen so far in the current government. Delcy Rodríguez has been very effective. She has followed the Trump administration's cues, and judging by Trump's remarks, he seems to be very pleased with the results. Both administrations are engaged in what seems a plan to pull Venezuela from the economic abyss—with every sector that is included in the plan, it looks like this recovery phase will take even more time until completed.

The first thing needed for elections is a new CNE, as the result of a transparent selection according to the law, where the current regime should not have any control over the process. That is a non-negotiable step. Without a credible CNE, there will be little trust in a new presidential election."

A **Vanessa Neumann, CEO of Asymmetrica and former Juan Guaidó-appointed Venezuelan ambassador to the United Kingdom:** "We're at a strange moment,' a D.C. Americas think tank friend recently texted me. That strange moment was reflected during María Corina Machado's visit to Madrid. At the historic rally in the Puerta Del Sol, her ability to command popular support was on full display: Machado is adored by Venezuelans. A breakfast meeting with business leaders, however, hinted at problems for Venezuela's transition. Asked whether deals made with the Delcy regime would be honored by a future president Machado, the answer was essentially 'no.' The Trump White House views this as stymying Trump's signature success in bringing development to Venezuela and nearshoring secure supply chains for energy (oil, gas and uranium) and critical minerals that Venezuela has in abundance. Their extraction for the benefit of the U.S. economy requires certainty for the investors. While Machado talks about certainty after elections, investors and Trump want certainty from now through elections. This explains why even despite the hydrocarbons and mining law reforms, foreign investment is not coming as quickly as either the Venezuelan people or Trump would like. This chasm with the White House presents a vulnerability for Machado. Unfortunately, we know from past experience that European support will not suffice for Venezuelan democracy. For fresh elections to take place, we need a whole new electoral commission, new voting machines, a free press, an end to repression and a strong push from Washington. None of those are in the works."

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