



SEIZING THE MOMENT OF DEMOCRATIC OPPORTUNITY IN VENEZUELA

A FRAMEWORK FOR ACCOUNTABLE TRANSITION

THE MOMENT

Venezuela faces the most consequential political moment in its modern history. After years of state capture by systemic corruption, criminal networks, and narco-trafficking, the country is standing on the threshold of a transition toward stability, democratic governance, and economic recovery. The decisions taken or deferred during this period will shape Venezuela's political, institutional, and social trajectory for decades to come.

For this opportunity to be realized, coordinated transition planning must begin now, one that

involves key stakeholders and is grounded in Venezuelan realities. External approaches divorced from domestic needs risk repeating the failures of past post-authoritarian transitions, where reform agendas lacked legitimacy, local ownership, and durability. Any viable path forward must be informed by the priorities of Venezuelan society, and shepherded by in-country actors with legitimacy, experience, and a long-term stake in the country's future.

ON-THE-GROUND CHALLENGES



Financial instability. On January 9, 2026, President Trump created accounts within the U.S. Treasury Department called the Foreign Government Deposit Funds. Per Executive Order, those funds – generated by sales of oil and other Venezuelan resources – belong to the Venezuelan people; the U.S. is simply a custodian of them. The funds are also protected against seizures, judgments, liens, and any legal action, protecting them from Venezuela's multiple creditors, to whom it owes an estimated \$164 billion.

The U.S. has said it will audit how the first \$300 million is used, and noted that moving forward, the U.S. will authorize in advance how the proceeds of the above funds will be spent.

Less clear is whether these audits will be made public. Reportedly, a Qatari bank account was established to hold the funds but there is no public information on which Qatari bank holds the deposits, or the nature of the trust(s) in which the funds are held. As funds are transferred back to Venezuela, no rules currently are in place to require public information about who has control over the expenditure of such funds, including toward health, education, and other core domestic public service budgets.

Finally, the funding plans are explicitly described as short-term, but there are no public plans or criteria for what needs to happen to move beyond this conservatorship arrangement.



Political prosecutions. A new amnesty law, being considered by the Venezuelan National Assembly at the time of publication, aims to release hundreds of opposition leaders, journalists, and activists detained during political protests dating back to 1999. Human rights and pro-democracy voices cautiously welcomed the proposed reform with some important clarifications so that it includes all political prisoners and targets of politically-motivated sanctions – including those previously barred from holding public office – and does not become a "cloak of impunity" for the remaining parts of previous repressive regimes. Opposition voices continue to express strong concerns over the "trickle pace" of releases and want to ensure that amnesty is not a "pardon" for any misdeeds, but a "correction for arbitrary imprisonments."



Lack of electoral process integrity. The deterioration of electoral guarantees and conditions is not solely attributable to the current leadership of Venezuela's National Electoral Council. For more than two decades there has been a decline in the independence and integrity of the Venezuelan electoral system. The actions of the Council since 1999 have been influenced by political partisans. There is an urgent need to reverse the politicization of the Council's composition and create verifiable procedures for autonomy of technical and legal decisions, thereby strengthening the independence of the Council and preventing its institutional capture, discretionary appointments, and rotation based on political loyalties.

Real independence requires a redesign of internal governance including the definition of powers of subordinate councils, protocols that restrict irregular substitutions, and a check on political discretion in appointments.

PRIORITIES FOR ECONOMIC AND POLITICAL STABILITY

Reforming three pillars of Venezuela's political and economic infrastructure will reassure the Venezuelan people, and potential foreign investors whose financing is critical to the nation's reconstruction, that democratic renewal and financial stability are coming.

1. Transparency in oil and trade contracts.

Immediate public access to the renegotiation and execution of oil and trade contracts is central to this effort. Oil revenues and trade flows have long shaped state power in Venezuela, and opacity in these sectors has enabled corruption, criminal capture, and the large-scale diversion of public resources. As contracts are renegotiated and new commercial arrangements are enacted, a lack of transparency reinforces old dysfunctional dynamics under a new political configuration, eroding public and investor trust from the outset.

Transparency in oil and trade contracting enables Venezuelans to monitor the use of state resources, deterring misappropriation and ensuring that public assets are managed in the national interest. It also provides future governments with a credible foundation to demonstrate a clear break from criminal governance and reassures international partners and investors that economic reengagement is grounded in accountability.

2. Protection for opposition voices. Local experts and advocates serve as the bridge between legal proceedings and public trust,

ensuring that justice is not perceived as remote, politicized, or externally imposed.

Without strong and protected local independent voices, even well-designed transition frameworks can be hijacked by corrupt forces. For Venezuela to navigate this transition successfully, these non-state actors must be actively supported and strengthened throughout the transition. Expanding operating space for these voices - including upholding freedom of expression and assembly *and securing the release of all political prisoners* - must be prioritized in transition plans.

3. Immediate planning for timely,

internationally monitored elections. The Venezuelan people are largely united in their determination to build a democratic country, but success will also require the U.S. and all countries of the Americas to provide support for a democratic transition.

Pro-democracy leaders have a credible mandate to assume power, but it is first necessary to dismantle the existing authoritarian government through a fair and transparent electoral process. Free and fair elections will provide a platform for the Venezuelan people to express their will, fostering national unity and stability. Timely, internationally monitored, free and fair elections are vital for reestablishing trust in institutions (e.g., security forces and the judiciary), promoting accountability, and severing remaining ties to autocratic rule.

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