

The Venezuela-Guyana Dispute over the Essequibo

by Rafael Ramírez

The Essequibo¹ is a territory located in the North-East of South America, between Venezuela and Guyana, with a maritime projection towards the Atlantic. It has been part of Venezuela since 1777² under the rule of the Spanish Empire and then as the Republic of Venezuela since 1810.

The United Kingdom illegally occupied it in 1814,³ while Venezuela was going through a long and bloody war of independence. The UK tried to formalise the dispossession of the territory with the Paris Arbitral Award

of 3 October 1899,⁴ in a flawed process in which Venezuela was represented by the United States. The British Empire exercised its power to obtain a ruling in its favour.

After the death of the lawyer Severo Mallet-Prevost in 1949, who represented Venezuela in this process, these irregularities became public knowledge.⁵ In 1962, Venezuela denounced the nullity of the process before the United Nations and insisted on its historical claim.⁶

¹ An Amazonian territory of 160,000 square kilometres, practically uninhabited and full of natural resources.

² Rajihv Morillo Dáger, "La Capitanía General de Venezuela de 1777, base de la integración y la territorialidad nacional", in *Analítica.com*, 18 September 2019, <https://www.analitica.com/?p=828410>.

³ Fundación Empresas Polar, "Schomburgk, Robert Hermann", in *Diccionario de Historia de Venezuela*, <https://bibliofep.fundacionempresaspolar.org/dhv/entradas/schomburgk-robert-hermann>.

⁴ Tribunal of arbitration constituted under article I of the treaty of arbitration signed at Washington. See: "Award regarding the Boundary between the Colony of British Guiana and the United States of Venezuela, 3 October 1899", in *Reports of International Arbitral Awards*, Vol. 28 (2007), p. 331-340, https://legal.un.org/riaa/cases/vol_XXVIII/331-340.pdf.

⁵ Otto Schoenrich, "The Venezuela-British Guiana Boundary Dispute", in *The American Journal of International Law*, Vol. 43, No. 3 (July 1949), p. 522-530, DOI 10.1017/S0002930000092691.

⁶ Venezuela, *Question of Boundaries between Venezuela and the Territory of British Guiana : Statement of His Excellency, Dr. Marcos*

Rafael Ramírez is former Venezuelan Foreign Affairs Minister (2014) and UN Ambassador (2014-2017); Venezuelan Oil Minister and CEO of PDVSA (2002-2014).

On 17 February 1966, Venezuela and the UK signed the Geneva Agreement,⁷ whereby the parties recognised the nullity of the Paris Arbitral Award and agreed to search for a negotiated solution. During this process, Guyana (independent since May 1966) would administer the Essequibo but without carrying out any activity that would modify the legal situation of the territory as established in Article V of the agreement, which states that "No acts or activities taking place while this Agreement is in force shall constitute a basis for asserting, supporting or denying a claim to territorial sovereignty in the territories of Venezuela or British Guiana or create any rights of sovereignty in those territories".

After four years, no progress was made in the negotiation, so on 18 June 1970, the two parties signed the Port of Spain Protocol,⁸ to suspend the meetings for twelve years and to possibly use as an alternative one of the means of peaceful settlement provided for in the UN Charter.

Falcon Briceno, Minister for External Relations of Venezuela, at the 348th Meeting of the Special Political Committee on 12 November 1962 (A/SPC/71), <https://digitallibrary.un.org/record/862319>.

⁷ UK and Venezuela, *Agreement to Resolve the Controversy over the Frontier between Venezuela and British Guiana*, signed at Geneva on 17 February 1966, <https://treaties.un.org/pages/showDetails.aspx?objid=080000028012b96f>.

⁸ Guyana, UK and Venezuela, *Protocol to the Agreement to Resolve the Controversy between Venezuela and the United Kingdom of Great Britain and Northern Ireland over the Frontier between Venezuela and British Guiana*, signed at Port of Spain on 18 June 1970, <https://treaties.un.org/pages/showDetails.aspx?objid=080000028011a754>.

In 1982, Venezuela pressured to resume the Geneva Agreement. Thus, in 1987, under the promotion of the UN Secretary-General, a Good Offices mechanism of mediation was put in place.⁹

Guyana-Venezuela relations from competition to cooperation

Guyana, after its independence, was led by Forbes Burnham (1964-1985), which established a strong relationship with Cuba. Between 1981-1983, the two countries signed cooperation agreements, including on military matters, and Cuba expressed its support for Guyana in the territorial dispute with Venezuela.¹⁰

Since then, successive Venezuelan governments considered Guyana as a potential enemy and a close ally of Cuba, even contemplating military scenarios against it. However, the prevailing position was not to go to war with Guyana.

Beginning in 1999, the government of President Hugo Chávez put an end to the hostility towards Guyana, cancelling the military strategies. Venezuela sought a rapprochement with Guyana through diplomatic channels and cooperation mechanisms such as Petrocaribe, founded in 2005.¹¹

⁹ UN Political and Peacebuilding Affairs (DPPA) website: *Border Controversy between Guyana and Venezuela*, <https://dppa.un.org/en/node/185706>.

¹⁰ Guyana Minister of Foreign Affairs, *Diplomatic Relations between Cuba and Guyana*, 3 January 2013, <https://www.parliament.gov.gy/media-centre/speeches/diplomatic-relations-between-cuba-and-guyana>.

¹¹ Petrocaribe was a cooperative oil procurement

This new stance eased tensions with Guyana and diminished the traditional distrust of the Caribbean countries of CARICOM towards Venezuela, giving the latter a strong political presence in the region.

Oil matters

The enormous geological formation that generates Venezuela's hydrocarbons, known as the "mother rock" *La Luna*, extends from the west towards the east and south of the country until it is deposited in the Orinoco Oil Belt,¹² then towards the Essequibo and the Atlantic façade.

ExxonMobil¹³ has been present in Venezuela for almost 100 years and knows the country's oil structure in detail, especially the mother rock *La Luna* formation and its extension into the Essequibo. Over the years, it has become itself an actor in the territorial dispute by pressuring Guyana to grant oil exploitation permits in the disputed territory.

On 14 June 1999, Guyana issued licenses in favour of ExxonMobil in the Essequibo,¹⁴ in violation of the Geneva

agreement signed between Venezuela and 18 Caribbean countries, including Guyana, whereby Venezuela guaranteed the supply of 46 per cent of fuel needs through financing facilities and possibilities of payment through direct deliveries of products.

¹² Christopher J. Schenk et al., "An Estimate of Recoverable Heavy Oil Resources of the Orinoco Oil Belt, Venezuela", in *USGS Fact Sheets*, No. 2009-3028 (October 2009), <https://doi.org/10.3133/fs20093028>.

¹³ Formerly Standard Oil.

¹⁴ Permanent Court of Arbitration, *Guyana v. Suriname: Pleadings - Guyana Memorial*, Vol. 3, Annex 160: "Exxon Signs PSC for Deepwater

Agreement (Article V) and the UN's Good Officer mechanism. President Chávez immediately issued notes of protest and acted on the diplomatic front against this illegal action. On 29 September 2000, ExxonMobil suspended its activity in the area, acknowledging that an international dispute existed.¹⁵ Subsequently, during the Chávez Presidency (1999-2012), the situation remained unchanged, with no oil activity in the waters of the Essequibo.

ExxonMobil's return to Essequibo

Starting from November 2012, Guyana issued new licenses in the waters of the Essequibo¹⁶ in favour of ExxonMobil¹⁷ and other multinationals,¹⁸ in a new attempt to violate the Geneva Agreement. At the time, however, the political situation in Venezuela was very different.

At the time, President Chávez was ill and died on 5 March 2013. In the aftermath, following a disputed election, Nicolás Maduro took over the presidency. A

Acreage off Guyana; Adds to Global Deepwater Portfolio, 14 June 1999", <https://pcacases.com/web/sendAttach/983>.

¹⁵ Ibid., Annex 166; Rafael D. Ramírez, "Carta Esoo Guyana al Ministerio de Petróleo Guyanés", in *RafaelRamirez.net*, 8 January 2024, <https://www.rafaelramirez.net/?p=10536>.

¹⁶ In the Stabroek Block and in the Pomeroun Block.

¹⁷ "Oil Companies for More Seismic Surveys This Year – Singh", in *Stabroek News*, 1 April 2013, <https://www.stabroeknews.com/?p=234162>.

¹⁸ Guyana Government, *Petroleum Agreement between the Minister Responsible for Petroleum Representing the Government of the Republic of Guyana and CGX Resources Inc.*, 12 February 2013, <https://oilnow.gy/contracts/cgxenergy-psa.pdf>.

weak government was installed, and Venezuela entered a prolonged process of political instability and a deep economic and social crisis.

As soon as Guyana granted the new licenses, I (still acting as Oil Minister) informed President Maduro about their illegality, since they were not only in the waters of the Essequibo, but also in those of the Venezuelan Atlantic Façade. However, there was no official reaction by the new government, which did not even issue notes of protest to condemn Guyana's illegal actions. President Maduro had other priorities, engaged as he was in a violent campaign to crush any political dissent to consolidate his power.

ExxonMobil took advantage of Venezuela's inaction, starting intense exploration activities in 2013, drilling more than 49 offshore oil wells in the Stabroek Block and discovering successively up to 11 billion barrels of oil reserves in the Liza field.¹⁹ This indicated that they found the mother rock *La Luna* formation extending from Venezuela.

The Venezuelan government's lack of response to oil drilling activity in the Essequibo was primarily due to its attempts to reach political agreements with the US. In 2015, the Maduro government began political negotiations with the White House; the US State Department adviser Tom

Shannon travelled to Haiti and Caracas on several occasions to follow the discussions.²⁰ However, nothing was achieved with regard to the exploration activities in the Essequibo.

Subsequently, in May that year, the Venezuelan government issued Decree 1787 creating a new Integrated Maritime and Island Defence Zone that included areas of the Essequibo,²¹ which generated a strong protest from Guyana and a response from the Venezuelan Foreign Ministry.²² Then UN Secretary-General Ban Ki-moon held a conciliatory meeting between the two Presidents at the UN Headquarters, without any constructive result.²³

After ten years of activity in the Essequibo, by 2023, ExxonMobil and partners²⁴ are producing 380 thousand barrels per day (tbd); by 2024 they will reach 620 tbd; and by 2027, they project to produce 1.2 million barrels per day of oil,²⁵ making Guyana the second

¹⁹ "Guyana Says Another 'Significant Discovery' Made at Stabroek Offshore Block", in *Reuters*, 26 October 2023, <https://www.reuters.com/business/energy/guyana-says-another-significant-discovery-made-stabroek-offshore-block-2023-10-26>.

²⁰ Girish Gupta, "U.S., Venezuelan Officials Meet in Haiti, Continue Quiet Diplomacy", in *Reuters*, 14 June 2015, <https://www.reuters.com/article/uk-venezuela-usa-idUKKBN0OU0VL20150614>.

²¹ Wilfredo Robayo Galvis, "Las ZODIMAIN de Venezuela: ¿una nueva amenaza contra la integridad territorial de Colombia?", in *ExternaDIP Blog*, 17 July 2015, <https://dip.uexternado.edu.co/?p=570>.

²² "Venezuela in Spat with Guyana over Oil Exploration", in *BBC News*, 10 June 2015, <https://www.bbc.com/news/world-latin-america-33078948>.

²³ "Granger and Maduro Shake Hands; Meeting Ongoing", in *iNews*, 27 September 2015, <https://wp.me/p3INED-bs7>.

²⁴ Chevron and CNOOC.

²⁵ ExxonMobil, *ExxonMobil Starts Production at Third Offshore Guyana Project*, 14 November 2023, <https://investor.exxonmobil.com/news-events/press-releases/detail/1153>.

largest oil producer in Latin America.²⁶ This is a strategic shift in the region, a de facto situation in which Guyana has changed the status of the Essequibo and violated the Geneva Agreement, with the support of powerful multinational corporations.

The diplomatic situation

Since the death of the UN's Good Officer in April 2014, this mechanism has been paralysed due to Venezuela's failure to timely respond to accept the substitutes proposed by UN Secretary-General Ban Ki-moon, who were successively rejected for political reasons. The attitude of the Venezuelan government was used by Guyana to argue that Venezuela had no interest in resolving the dispute.

In February 2017, the new Secretary-General, António Guterres, agreed to extend the mechanism for one year and appointed the Norwegian Dag Nylander.²⁷

From 2015, Guyana launched a diplomatic offensive at the UN General Assembly, where it presented itself as the victim of aggression and asserted its right to development, winning the support of the CARICOM²⁸ and the

²⁶ Ahead of the current production of Venezuela, Mexico, Colombia and Ecuador.

²⁷ UN Secretary General, *Mr. Dag Halvor Nylander of Norway - Personal Representative on the Border Controversy between Guyana and the Bolivarian Republic of Venezuela*, 27 February 2017, <https://www.un.org/sg/en/node/220583>.

²⁸ Commonwealth Secretariat, *Foreign Ministers Offer Support to Guyana on Border Dispute*, 28 September 2015, <https://thecommonwealth.org/node/1341>.

Organization of American States. For its part, the Venezuelan government, isolated internationally, did not allow any action from the UN, losing political ground in the region, especially in the Caribbean.

On 30 January 2018, after one year without results, the UN Secretary-General ceased his mediation and referred the case to the International Court of Justice (ICJ).²⁹ However, the Venezuelan government does not recognise the jurisdiction of the latter and therefore refused to submit its allegations, while Guyana did so immediately.³⁰ In June 2022, four years later, Venezuela³¹ presented its allegations against the jurisdiction of the ICJ. On 6 April 2023, the ICJ dismissed these allegations³² and set 8 April 2024 as the deadline to receive the Counter-Memorial from Venezuela, to then rule.

Venezuela's referendum and its consequences

The Venezuelan government convened a referendum about the Essequibo dispute on 3 December 2023,³³ as a

²⁹ UN Secretary General, *Statement Attributable to the Spokesman for the Secretary-General on the Border Controversy between Guyana and Venezuela*, 30 January 2018, <https://www.un.org/sg/en/node/231290>.

³⁰ ICJ, *Guyana Files an Application against Venezuela*, 4 April 2018, <https://www.icj-cij.org/node/105581>.

³¹ Headed by current Vice President Delcy Rodríguez (former Foreign Affairs Minister).

³² 14 to 1 vote. See ICJ, *Arbitral Award of 3 October 1899 (Guyana v. Venezuela) - The Court Delivers its Judgment on the Preliminary Objection Raised by Venezuela*, 6 April 2023, <https://www.icj-cij.org/node/202655>.

³³ Sébastien Seibt, "Essequibo Referendum:

manoeuvre to gain political support looking towards the 2024 presidential elections. Although the referendum has no legal effect on the ICJ process, it does have dangerous implications for the diplomatic and peaceful resolution of the dispute.

The Maduro government deployed an intense campaign for the referendum using an aggressive and militaristic narrative against Guyana, including issues such as disregarding the ICJ and the occupation of the Essequibo. Even though there was a very high abstention rate and there is no way to verify the results of the referendum, the government handled it as a political success.

On 5 December 2023, in an aggressive address to the country,³⁴ Maduro ordered the creation of a new state in the Essequibo (so-called “Guayana Esequiba”), a Military Defence Zone with a political-military authority; he also announced the granting of licenses there, giving a three-month deadline to the oil multinationals operating there to “abandon” the area.

The escalation of tensions is of concern to countries in the region, mainly Brazil,³⁵ which has increased its

Is Venezuela about to Seize Part of Guyana?”, in *France 24*, 3 December 2023, <https://www.france24.com/en/americas/20231203-essequibo-referendum-is-venezuela-about-to-seize-part-of-guyana>.

³⁴ Venezuela’s Ministry of Foreign Affairs, *Anuncios para la protección y defensa de la Guayana Esequiba*, 5 December 2023, <https://mppre.gob.ve/?p=197473>.

³⁵ President Lula Da Silva warned that “humanity should be afraid of war. War only takes place when common sense is lacking”.

military presence on the borders.³⁶ For its part, the United States announced joint military exercises in support of Guyana,³⁷ while the UK sent a warship to the Essequibo.³⁸ In response, the Venezuelan government conducted a naval military exercise in the area including overflight of Sukhoi fighter jets.³⁹

This escalation occurred despite the fact that a meeting was held in St. Vincent and the Grenadines – the pro tempore President of the Community of Latin American and Caribbean States (CELAC) – between the presidents of Guyana and Venezuela on 14 December. They issued a declaration to agree to reduce tensions, avoid any military action and respect the Geneva Agreement.⁴⁰ However, Guyana’s President Irfaan Ali made it clear that his country will follow the ICJ process, without direct negotiations with Venezuela.⁴¹

³⁶ Katy Watson, “Brazil Deploys Troops to Venezuela Border”, in *BBC News*, 7 December 2023, <https://www.bbc.com/news/world-latin-america-67645018>.

³⁷ US Embassy in Guyana, *SOUTHCOM to Conduct Flight over Guyana*, 7 December 2023, <https://gy.usembassy.gov/southcom-to-conduct-flight-over-guyana>.

³⁸ “British Warship Arrives Near Guyana Fueling Essequibo Land Dispute with Venezuela”, in *France 24*, 29 December 2023, <https://www.france24.com/en/live-news/20231229-british-warship-in-guyana-waters-fanning-tensions-with-venezuela>.

³⁹ Andreina Itriago Acosta, “Venezuela Deploys Troops to East Caribbean Coast, Citing Guyana Threat”, in *Bloomberg*, 28 December 2023, <https://www.bloomberg.com/news/articles/2023-12-28/venezuela-deploys-soldiers-amid-guyana-threat-maduro-says>.

⁴⁰ “Breaking: Guyana and Venezuela Agree on 11-Point Peace Declaration in SVG”, in *One News SVG*, 14 December 2023, <https://wp.me/pbPotL-3El>.

⁴¹ Melissa Wong, “President Ali Says Guyana

A regional flashpoint

There are two opposing positions on the Essequibo territorial dispute that could escalate into a conflict in the short or medium term: Maduro's government does not recognise the ICJ's jurisdiction or any of its decisions, while Guyana occupies and produces oil in the Essequibo, awaiting a decision from the ICJ that legitimise its actions. These positions could turn into an open conflict, especially as oil exploitation in the area will reach significant levels and the licenses granted by Guyana will block the Venezuelan Atlantic façade.

Despite Maduro's aggressive rhetoric, it seems unlikely – although the risk remains – that his government will enter into an open conflict with Guyana, both because of the lack of internal and external support for such an action and owing to the country's serious crisis and extreme weakness, so that any military action in the Essequibo could cause the collapse of his regime.

But this may change, given the country's unstable political situation. And, in any foreseeable scenario, Venezuela will not give up its historical claim to the Essequibo or its access to the Atlantic. Any government in Venezuela that initiates the recovery of the country and the re-establishment of its international alliances would have sufficient elements and strength to demand a fair solution to the Essequibo dispute.

Guyana has acted aggressively, violating the Geneva Agreement, especially due to its support for large oil multinational companies against Venezuela's strategic interests. The situation in the Essequibo, with no prospect of a diplomatic agreement, constitutes a potential conflict – a regional flashpoint – that could have complex and unpredictable implications soon, especially when it affects strategic issues for Venezuela such as oil and access to the Atlantic.

21 February 2024

Is Not Seeking War in Talks with Venezuela", in *Loop News*, 14 December 2023, <https://caribbean.loopnews.com/node/686901>.

Istituto Affari Internazionali (IAI)

The Istituto Affari Internazionali (IAI) is a private, independent non-profit think tank, founded in 1965 on the initiative of Altiero Spinelli. IAI seeks to promote awareness of international politics and to contribute to the advancement of European integration and multilateral cooperation. Its focus embraces topics of strategic relevance such as European integration, security and defence, international economics and global governance, energy, climate and Italian foreign policy; as well as the dynamics of cooperation and conflict in key geographical regions such as the Mediterranean and Middle East, Asia, Eurasia, Africa and the Americas. IAI publishes an English-language quarterly (*The International Spectator*), an online webzine (*AffarInternazionali*), two book series (*Trends and Perspectives in International Politics* and *IAI Research Studies*) and some papers' series related to IAI research projects (*Documenti IAI*, *IAI Papers*, etc.).

Via dei Montecatini, 17

I-00186 Rome, Italy

Tel. +39 066976831

iai@iai.it

www.iai.it

Latest IAI COMMENTARIES

Editor: Leo Goretti (l.goretti@iai.it)

- 24 | 07 Rafael Ramírez, *The Venezuela-Guyana Dispute over the Essequibo*
- 24 | 06 Alessandro Marrone, *Six Takeaways from Two Years of Russia-Ukraine War*
- 24 | 05 Menachem Klein, *Hamas's Narrative of 7 October and the Impossibility of Ignoring It*
- 24 | 04 Akram Ezzamouri, Colin Powers and Emmanuel Cohen-Hadria, *Charting the Course: European Perspectives on EU-Tunisia Relations*
- 24 | 03 Pier Paolo Raimondi and Max Münchmeyer, *From Interconnection to Integration: German-Italian Energy Relations and the SouthH₂ Corridor*
- 24 | 02 Refugees International, *European and Tunisian Migration Policies: A Recipe for Failure and Suffering*
- 24 | 01 Riccardo Alcaro, *The Perfect Storm: Trump and USA 2024*
- 23 | 67 Aurelio Insisa, *Timing Is Everything: Italy Withdraws from the Belt and Road Initiative*
- 23 | 66 Max Münchmeyer and Pier Paolo Raimondi, *Between Security and Transition: Prospects for German-Italian Energy Cooperation*
- 23 | 65 Ghazi Ben Ahmed, *Critical Crossroads: Tunisia's Choice between a Comprehensive EU Partnership and Economic Collapse*