



3RD CNLU NATIONAL MEDIATION COMPETITION 2025

GENERAL INFORMATION

PRELIMINARY ROUND 2

ABOUT THE DRAFTERS

MEDIATE GURU



MediateGuru, a distinguished institute in the realm of alternative dispute resolution. We pride ourselves on being more than just a service provider; we are a dedicated community committed to facilitating amicable resolutions through expert mediation and arbitration services. Our team of seasoned professionals brings a wealth of experience and a deep sense of empathy to every case, ensuring a fair, efficient, and compassionate resolution process. We uphold the highest standards of integrity and professionalism, providing our clients with unparalleled support and guidance.

Beyond our core services, MediateGuru plays a pivotal role in enriching the ADR field through a series of meticulously curated events, competitions, and conferences. These initiatives are designed to foster professional development, encourage knowledge sharing, and cultivate the next generation of resolution experts.

Engage with industry thought leaders at our workshops, participate in challenging competitions, and become part of a network that values and promotes the principles of peace and resolution. At MediateGuru, we are steadfast in our mission to create a more harmonious world, one resolved dispute at a time.

The Greentech-TerraOil vs. Republic of Andesia

1. Greentech-TerraOil Inc. (a multinational energy corporation headquartered in the United States of America) entered into a series of contracts with the Republic of Andesia, a South American nation, in the late 1990s to explore and extract oil reserves in the Amazonian region of Andesia. The agreements granted TerraOil a 30-year concession for oil extraction, requiring compliance with stringent environmental regulations and the sharing of 20% of profits with the Andesian government. Over two decades, TerraOil expanded its operations, significantly increasing production but also causing widespread environmental degradation, including deforestation, water contamination, and adverse effects on indigenous communities in the region.
2. In 2023, the Andesian government accused TerraOil of breaching its contractual obligations by failing to adhere to environmental standards. It initiated a \$10 billion lawsuit in local courts for ecological restoration and compensation to affected communities. TerraOil countered the allegations, claiming that it had adhered to environmental standards as per the contract and blamed the damages on pre-existing illegal logging activities in the region.
3. Simultaneously, TerraOil filed an investor-state arbitration claim under the Andesia-United States Bilateral Investment Treaty (BIT), asserting that Andesia had unlawfully terminated a portion of the concession in retaliation for TerraOil's refusal to pay additional "unofficial levies" demanded by local officials. TerraOil sought \$5 billion in damages, arguing that the actions of Andesia's government amounted to expropriation without adequate compensation, a violation of the BIT.
4. The Republic of Andesia alleged further breaches, claiming that TerraOil underreported its revenues by \$2 billion over the past decade, depriving the government of its rightful share of profits. Andesia also accused TerraOil of failing to engage meaningfully with indigenous communities, violating constitutional protections and international human rights obligations. These allegations gained significant international attention, with NGOs and environmental groups pressuring both TerraOil and the Andesian government to take accountability.

5. Adding to the conflict, Andesia passed a new environmental law in 2021, imposing stricter penalties for ecological harm and mandating additional royalties for oil extraction in sensitive regions. TerraOil argued that applying the law retroactively violated the stabilization clauses in their concession agreement. The company claimed that the increased royalties and penalties cost them an additional \$500 million annually, making their operations financially unsustainable.
6. The situation escalated further when indigenous communities filed separate lawsuits and organized protests, blocking access to TerraOil's facilities and halting production for weeks. TerraOil accused the Andesian government of failing to maintain law and order, as required under the concession agreements, leading to operational losses estimated at \$1 billion.
7. Relations between the parties deteriorated to the point where TerraOil announced plans to withdraw from Andesia entirely, threatening the livelihood of thousands of employees and contractors. The Andesian government, in turn, hinted at the possibility of nationalizing TerraOil's assets, arguing it was necessary to protect public and environmental interests.
8. Amid mounting international and domestic pressure, both parties recognized the potential benefits of mediation. They agreed to engage in a mediated dialogue, hoping to avoid protracted litigation and arbitration. Mediation was chosen for its ability to provide a confidential, flexible, and cost-effective platform to address the multi-faceted issues while preserving a working relationship. Both parties aimed to explore creative solutions, including potential revisions to the concession agreements, joint environmental restoration projects, and a framework for indigenous community engagement.



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