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Liability & Redress: The Compact A Private Sector Compensation Mechanism

As a contribution to the discussions on liability and redress at the fourth meeting of the Parties to the Cartagena Protocol on Biosafety (MOP-4) in Bonn, Germany in May 2008, CropLife International has presented “the Compact,” which is a voluntary private sector compensation mechanism that would remediate actual “damage to biological diversity.” The Compact is a binding contractual obligation among the six leading plant biotech companies that make up CropLife’s Funders’ Group: BASF, Bayer CropScience, Dow Agrosciences, DuPont, Monsanto, and Syngenta. The Compact is not a fund, but rather is similar to a form of self-insurance.

The Compact initiative developed to demonstrate the technology providers’ commitment to stand behind their products, and to remediate damage in the event that one of their living modified organism (LMO) products has been proven to have caused damage to biological diversity, as defined in the Compact. The Compact sets forth the conditions for a Party to submit, and for approval of a claim for such damages.

The plant science industry is absolutely confident in the safety of agricultural biotechnology crops. In 15 years of use on over one billion acres, there has been no case of damage to biological diversity. The plant science industry believes a voluntary contractual compensation approach to recourse for damage to biological diversity under the Protocol can help address the obligation of the Parties regarding liability and redress under the enabling provision in Article 27 of the Protocol.

While the Compact is initially an agreement among the six agricultural biotechnology companies listed above, membership is open to any company or research organization that qualifies.