

RSPO Compensation Mechanism

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In August 2011, the RSPO Executive Board established the Compensation Task Force (CTF), under the Biodiversity and HCV Working Group (WG-BHCV), to develop and test a system addressing HCV compensation, for the "pilot period" of November 2005 to November 2007 (as defined in the Malaysian and Indonesian National Interpretations), and beyond (as new areas and new members join the RSPO).

The CTF is composed of all WG-BHCV members plus invited experts and stakeholders.

The "RSPO Compensation Mechanism" aims to provide mechanisms to assess compensation liabilities and to monitor the remediation and compensation measures.

It must be flexible enough to be global and valid over time. It must encourage growers to disclose and solve issues, while being an efficient deterrent to *"clear and pay"*.

The question of liability is critical. The CTF has focused its early work on how to determine liability of the growers, and has reached consensus on defining time periods and some limitations to liability.

The development of compensation measures and their control is still underway, and an update of the current paths considered will be presented.