

Uruguay's Ley Forestal (Law 15.939) — Four Decades of Tax and Subsidy Incentives for Industrial Afforestation, and Its Contested Water and Biodiversity Costs

PES & Nature-Based Solutions · Good practice · Uruguay

Quality score: 20/100

Evidence strength: Observational / pre–post

Summary

Uruguay's 1987 Forestry Law used tax breaks and subsidies to grow industrial pine/eucalyptus plantations to roughly 1.3M hectares and a major pulp-export industry, but independent research links the same plantations to reduced stream flow and native-grassland biodiversity loss.

Key dimensions

Dimension	Score
Carbon — sequestration / storage, evidenced	1/3
Biodiversity — conservation / improvement, evidenced	0/3
Water & soil — retention, infiltration, erosion control	0/3
Fire resilience — risk reduction, evidenced	0/3
Governance, certification & transferability	2/3

Evaluated by C-NAPSE

Data sources

[C-NAPSE web research](#) — accessed 2026-09-23

[Dirección General Forestal, Ministerio de Ganadería, Agricultura y Pesca \(MGAP\)](#) — accessed 2026-09-23

[Ecolex/FAO — Ley Nº 15.939, Ley Forestal](#) — accessed 2026-09-23

[World Rainforest Movement — Impact of industrial tree plantations on Uruguay's water crisis](#) — accessed 2026-09-23

Cite this — Evidoria. *Uruguay's Ley Forestal (Law 15.939) — Four Decades of Tax and Subsidy Incentives for Industrial Afforestation, and Its Contested Water and Biodiversity Costs*. Persistent ID: 56250882-e1c4-4a21-8ede-eab360784444.