

# **Conservation Investment Blueprint: Forest Landscape Conservation, Restoration, and Sustainable Timber Production**

**Developed based on the Case Study of Lyme Timber Company**

## ***i. Overview of the conservation need and opportunity***

Globally, the rate of annual net loss of forest area has decreased from 0.18 percent in the period 1990–2000 to 0.08 percent in the period 2010–2015<sup>1</sup>. Forest area under a management plan has increased to 2.1 billion ha (2010) and the area is distributed equally between production and conservation purposes<sup>1</sup>. Sustainable Forest Management seeks to balance environmental, social, and economic outcomes for current and future generations<sup>1</sup>. Agriculture, development, and unsustainable timber production contribute to the deforestation of North American forests, among other economic and population-related forces. In addition to eliminating significant carbon sinks, destroying critical ecosystems, and contributing to erosion, industrial forestry can have significant impacts on human health and wellbeing. Sustainable management of forests for timber production and conservation offers one solution to restore the ecological services of North American forests.

### **Scale and scope of activities required to address conservation need/opportunity**

In the United States, pre-development estimates of forest land coverage were about 1.023 million acres – roughly 46% of total land area<sup>2</sup>. By 1910, only 754 million acres of forest remain<sup>3</sup>. It stayed this low until afforestation efforts in the 1990’s and 2000’s added 12 million acres<sup>4</sup>. Conservation of remaining forests in the US and globally, and reforestation of degraded land and consequent carbon sequestration is essential if the two-degree Celsius warming limit is to be achieved.

Considered the most effective means of sequestering carbon, forests are essential for more than reduction of atmospheric greenhouse gas. In addition to providing livelihoods to billions (and contributing to more than 1% of the world’s GDP, a value of more than \$450 Billion USD), conservation of critical ecosystem habitat for birds, insects and mammals (humans included) is essential to maintaining biodiversity. Soil, air and water quality, erosion prevention, and regional climate management (particularly in cities) are essential roles of trees and forests.

Numerous NGOs and public entities have worked to conserve American forests for more than a hundred years. While they have succeeded in conserving, in perpetuity, massive tracts of forests, there is an opportunity for private sector players to play a role – particularly as industrial forestry investments are not achieving the returns they used to and markets for ecosystem services, including carbon, water quality, and biodiversity credits are increasingly commonplace. As with climate change, action by new and large players in the forest conservation space is essential to a future wherein forests are governed with social and environmental criteria in mind, along with financial criteria.

Investments in sustainable forestry typically aim to conserve and sustainably manage existing forest tracts, or to reforest degraded or deforested land – deriving value through sustainable harvest, payment for ecosystem services, land appreciation, land preservation tax credits<sup>5</sup>, sale of land rights, and other land-use fees such as hunting or fishing. These value drivers align well with the conservation goals of the investments – to maintain existing carbon sinks and sequester additional carbon, to deliver ecosystem services through intact forestland, to provide sustainable sources of lumber, and to provide habitat for biodiversity.

<sup>1</sup> Food and Agriculture Organization of the United Nations. (2016). *Global forest resources assessment 2015: how are the world’s forests changing?* (Second Edition). Rome. Retrieved from <http://www.fao.org/3/a-i4793e.pdf>

<sup>2</sup> Deda, P. (2011, March 21). Forests in Europe and North America are growing but remain vulnerable to threats. Retrieved May 18, 2018, from [https://www.unece.org/fileadmin/DAM/press/pr2011/11tim\\_p02e.htm](https://www.unece.org/fileadmin/DAM/press/pr2011/11tim_p02e.htm)

<sup>3</sup> Deda, P. (2011, March 21). Forests in Europe and North America are growing but remain vulnerable to threats. Retrieved May 18, 2018, from [https://www.unece.org/fileadmin/DAM/press/pr2011/11tim\\_p02e.htm](https://www.unece.org/fileadmin/DAM/press/pr2011/11tim_p02e.htm)

<sup>4</sup> Oswalt, S. N., & Smith, W. B. (2014, August). U.S. Forest Resource Facts and Historical Trends. USDA Forest Service. Retrieved from [https://www.fs.fed.us/sites/default/files/media/types/publication/field\\_pdf/forestfacts-2014aug-fs1035-508complete.pdf](https://www.fs.fed.us/sites/default/files/media/types/publication/field_pdf/forestfacts-2014aug-fs1035-508complete.pdf)

<sup>5</sup> “In 2015 Congress enacted one of the most powerful conservation measures in decades: the enhanced federal tax incentive for conservation easement donations” from Land Trust Alliance. “Income Tax Incentives for Land Conservation.” *Land Trust Alliance*, 2018, <https://www.landtrustalliance.org/topics/taxes/income-tax-incentives-land-conservation>. Also see: Zweibel, Ellen, and Karen J. Cooper. Charitable Gifts of Conservation Easements: Lessons from the US Experience in Enhancing the Tax Incentive. Vol. 58, no. 1, 2010, p. 38, <https://www.fcf-ctf.ca/ctfweb/Documents/PDF/2010ctj/10ctj1-zweibel.pdf>

## ii. *How the Blueprint contributes to conservation goals*

### **Contributions to Conservation Goal**

This blueprint contributes to the conservation and restoration of forest ecosystems – achieved by investors purchasing forests, or purchasing land and reforestation; with the express goal of sustainably managing those forests in adherence to relevant sustainability or management certifications.

### **Key Metrics**

Given the enormous complexity of forest ecosystems, outcome measurements which accurately measure the sustainable management of an investment may be unique to the forest being managed. IRIS, the catalog of generally accepted performance metrics used by the majority of impact investors to measure the social, environmental, and financial performance of their investments, has isolated a set of performance indicators – both outputs and outcomes – which are valid indicators of performance for investors whose intent is to conserve land, broadly. Inherent in these metrics is the development and use of a sustainable management plan, which governs the certifications that an investment manager in sustainable forestry might employ to ensure they are managing the impact of their land in such a way that addresses the intricacies of the land.

Standardized Global Impact Investment Network IRIS metrics for social, environmental and financial performance (<https://iris.thegiin.org/metrics>) may include:

- 1) Attributes of the Land: Conservation Priority Characteristics (PD9009), Type of Land Area (PD3922), Fresh Water Bodies Present (PI7170), Streams Present (PI3239), Coastline Present (PI5840)
- 2) Conservation: Forest Management Plan (OI2622), Land Area Indirectly Controlled (PI3789), Land Area Directly Controlled (OI5408), Protected Land Area (PI4716), Protected Land Area: Permanent (PI3924), Sustainably Managed Land Area – Direct (OI6912), Sustainably Managed Land Area – Indirect (PI6796), Ecological Restoration Management Area (PI9556), Streams Restored (PI6885), Coastline Restored (PI2538)
- 3) Benefits and Impacts of Conservation: Protected Land Adjacency (PI2135), Protected Land Assemblage Total Area (PI5750), Ecosystem Services (PD8494), Revenue Generated at Directly Supported Enterprises (PI3180), Jobs Maintained at Directly Supported Enterprises (PI5691), Jobs Created at Directly Supported Enterprises (PI3687), Operational Certifications (OI1120), Product/Service Certifications (PD2765)

**A CPIC-branded investment blueprint needs to demonstrate clear and measurable impacts on biodiversity conservation.** This can happen through interventions that are designed to ameliorate threats to biodiversity, at the species or ecosystem level. Influence over the delivery of ecosystem flows that benefit people is also desirable.

Threats to biodiversity can be assessed at a spatial scale using the Integrated Biodiversity Assessment Tool (<https://ibat-alliance.org>). The first step is to assess what biodiversity assets exist in proximity to project sites using the proximity tool of IBAT. Once threatened species, Key Biodiversity Areas and protected areas in the vicinity of the site are identified, then each of these have listings of threats to biodiversity that can be influenced by the investment opportunity. An example would be the reduction in pollution of biodiversity-rich rivers from investments in reforestation.

**A clear statement of the planned reduction in threats to biodiversity that will be generated by the investment is necessary to justify priority status as a CPIC blueprint.** In the first stage of project development, a simple assessment of the project proximity to biodiversity asset and the link between the impacts of investment and the reduction of threats is sufficient. Once investment activity is confirmed, a more detailed assessment of potential return on investment for biodiversity is required. A module to calculate this is under development for IBAT. This biodiversity return on investment can be calculated ex-ante, as a means of assessing opportunities for impact, and ex-post, once the investment is confirmed and management starts.

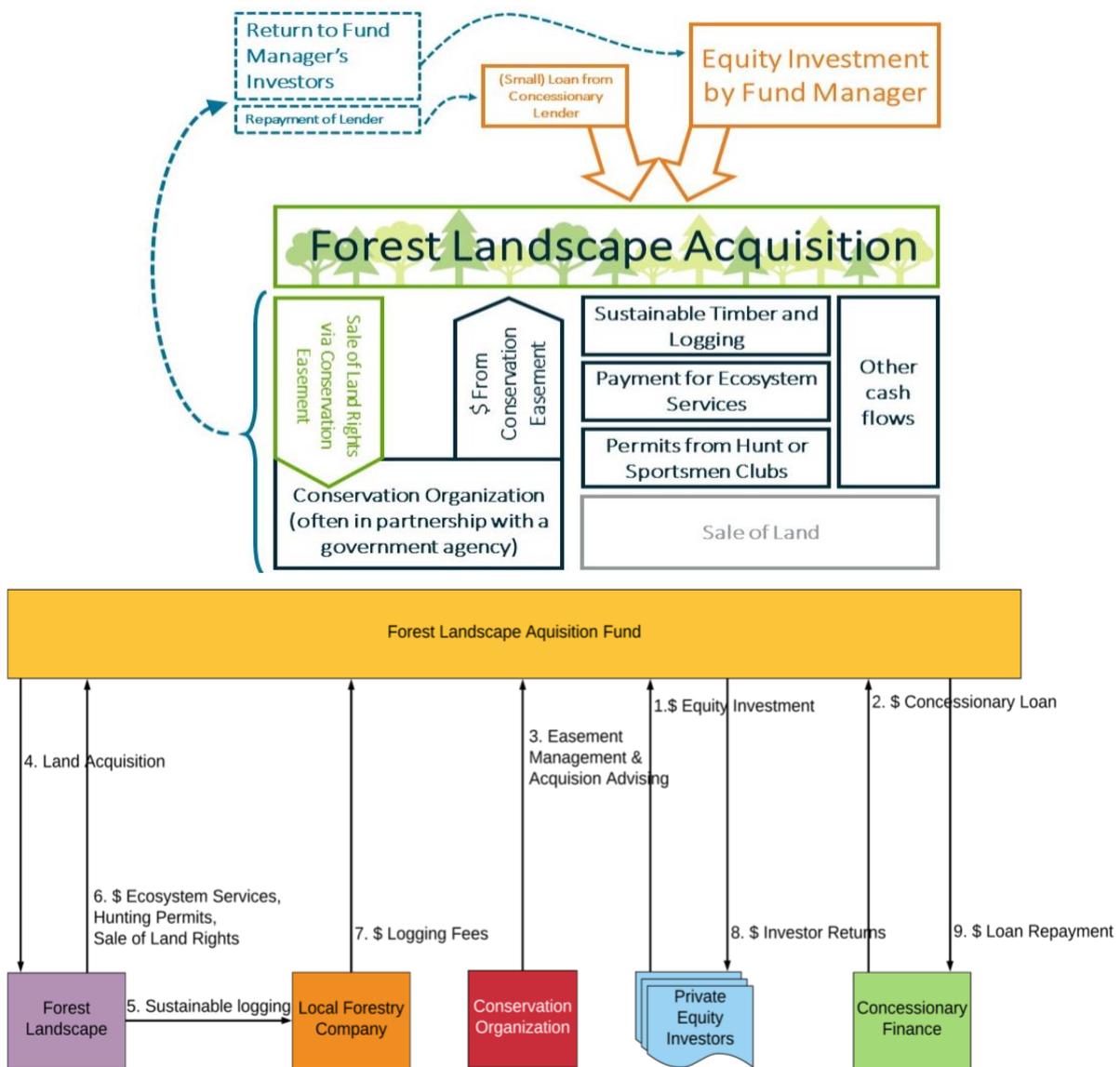
A first assessment of the impacts of the investment on ecosystem services to people can be made through the use of the TESSA tool (<http://tessa.tools>). A more detailed assessment of the tools available for conservation assessments, forest landscape restoration planning landscape assessment generally, and biodiversity

management is available in the Conservation Investment Blueprints: A Development Guide available on the CPIC website (<http://cpicfinance.com/related-reports>).

### iii. The business model

#### Organisation and governance

While many sustainable forestry fund managers aligned to this investment blueprint are set up as traditional private equity vehicles, the deals they engage in are often more complicated than acquiring and profiting off of the cash flows and sale of a company. The diagram is a simplified structure for a sustainable forestry investment into working forest lands in the United States, relying (in part and among other streams) on the provision of a conservation easement for cash or tax credit. For more on conservation easements, see below (a note on conservation easements). This example also features a concessionary lender (in many cases this party is leveraging a [New Markets Tax Credit, a U.S. Treasury Department initiative](#) to “incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities” often of [homes and small business loans](#), or other source of public funding to crowd in market-rate capital, in this case the fund manager’s LPs, into the deal). Impact Investors might refer to this as deal-level blended finance.



A note on conservation easements: “Conservation easements (also called conservation covenants, conservation servitudes, or conservation restrictions) are a tool of real property law. They grant a right to a public authority or a qualified conservation organization (often called land trust) to restrict land use on properties not in their ownership. These land use rights are otherwise held by the landowner. Conservation easements thus function similarly to regulatory restrictions on land use, but result from direct contractual agreements between two private parties. Conservation easements are usually in gross (they “run with the land”), meaning that they are binding for the present and all future owners of the respective property. Although they can be altered and revoked under certain conditions, they are normally designed to remain effective in perpetuity. A conservation easement on a property is recorded in its title, which means that it has to be registered at the responsible land registry office.”<sup>16</sup> “Enhanced tax benefits for land protection have significantly spurred the growth of land trusts and increased the quantity and quality of land holdings of all conservation organizations<sup>7</sup>.” Begun in the United States, easements have been adopted mostly in common law countries with jurisprudence<sup>8</sup>. “Permanent conservation easements are currently not considered possible in many civil law jurisdictions. Civil law typically requires the existence of a dominant and servient tenement, with the holder of the dominant tenement retaining ownership of a partial property right such as an easement. Further, civil law may require that dominant and servient tenements be contiguous. However, certain exceptions are being developed in a number of jurisdictions. Modifications in national legislation or creative use of existing concepts in civil law countries to accommodate conservation easements could be a bold step forward for conservation, with both private actors and the public being able to enjoy the benefits<sup>9</sup>.” A list of known countries common law and civil law countries with easement legislation can be found in the replicability section of the blueprint. For more on conservation easements, The Nature Conservancy has excellent resources on the [structure and tax implications of conservation easements](#).

### **Delivery capacity required, relevant stakeholders identified**

**Fund Manager:** The role of the fund manager in this blueprint is to source working lands that align to the investment strategy – meaning that they have high potential conservation value, can be sustainably managed to protect and build that value, and that necessary infrastructure exists in the region of investment to provide attractive return to the investors in their fund. The Fund manager is also responsible for executing transactions, including diligencing potential partners, ensuring business models of their underlying investments are sound, and actively managing the investment in accordance with the impact objectives of the fund’s investors and local communities.

**Concessionary Lender:** In some cases, concessionary lenders will partner with the fund manager to provide loans for the development of the project. Often this capital comes from public sources – such as the New Markets Tax Credit, and is intended to encourage economic growth through the crowding in of private capital to investment in distressed communities. In many cases, the lender will also have valuable local knowledge and will be able to provide the fund manager with relevant perspectives as they diligence and select other partners.

**Conservation Organization:** As noted above, conservation organizations (often NGOs, government or quasi-government agencies) are increasingly employing conservation easements as a means of protecting critical land at a lower cost than simple acquisition and ongoing management of land. Whether public or private, the conservation organization is an essential partner to the fund manager in selecting land that is sufficiently valuable for an easement to be employed, and in providing payment (in the form of direct payment or tax credit) to the fund manager and its investors.

<sup>6</sup> Disselhoff, Tilmann. Alternative Ways to Support Private Land Conservation. Ref. No: E.3-PO/07.020300/2015/ENV, The European Commission, 22 May 2015, p. 72.

<sup>7</sup> Zweibel, Ellen, and Karen J. Cooper. Charitable Gifts of Conservation Easements: Lessons from the US Experience in Enhancing the Tax Incentive. Vol. 58, no. 1, 2010, p. 38. <https://www.fcf-ctf.ca/ctfweb/Documents/PDF/2010octj/10octj1-zweibel.pdf>  
[http://ec.europa.eu/environment/life/publications/lifepublications/generalpublications/documents/support\\_land\\_conservation.pdf](http://ec.europa.eu/environment/life/publications/lifepublications/generalpublications/documents/support_land_conservation.pdf).

<sup>8</sup> Lincoln Institute of Land Policy. “Private Conservation Easements: A Record of Achievement and Challenges Ahead.” *Land Lines*, Oct. 2009, pp. 8–13. [https://www.lincolnst.edu/sites/default/files/pubfiles/1695\\_907\\_oct\\_09\\_article\\_2.pdf](https://www.lincolnst.edu/sites/default/files/pubfiles/1695_907_oct_09_article_2.pdf)

<sup>9</sup> Bowles, Ian, et al. Economic Incentives and Legal Tools for Private Sector Conservation. Vol. 8, p. 35.

<https://scholarship.law.duke.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=1001&context=delpf>

**Property Managers:** On site forestry companies need to know how to manage for conservation, carbon, water, and whatever other criteria are laid out in the forest management plan.

**Local Forestry Companies:** To sustainably harvest (for cash generation) local loggers, cruisers, sawmills all need to be part of the mix. This also keeps rural economies afloat in areas where large mills have left.

### Product and services being sold

**Land Rights:** Conservation land rights are sold to conservation organizations (public or private), which restrict the ability, in perpetuity, to develop the land in certain, potentially detrimental ways. Often this sale takes place early in the holding period of the land, so as to provide return to the fund manager early in the investment cycle. Additionally, these land rights require sustainable timber management as evidenced by harvest plan approvals and/or third-party certification.

The sale of land rights (e.g. conservation easement) contributes to long term conservation outcomes, by restricting the use of land in perpetuity – with the goal of preserving the characteristics of the land that made it a valuable target for conservation to begin with. It is also core to the return of these funds. Future land owners would be restricted to build or modify any of the conservation easement portion of the property but have full obligation to protect the entire property from others uses as well.

**Sustainable Timber:** Most conservation easement schemes allow for ongoing sustainable management of the land, in accordance with strict plans set out at the easement structuring. This can generate operating income for the fund manager.

**Recreational Leasing:** As detailed in the above diagram, leases are often made to sportsmen or hunting clubs for recreational use. Subject to the terms of the conservation easement this is most often allowable.

**Provision of Ecosystem Services:** In certain regulatory markets or with sufficient voluntary compliance, carbon emissions trading system may be employed to provide additional return to investors. Carbon credits can be generated and sold to entities as permits to pollute in California’s cap-and-trade system. There are two types of forestry projects in this system: 1) improved forest management projects, that credit forests for carbon sequestration that is above the regional average and 2) avoided conversion projects, that credit projects for carbon sequestration that would otherwise be lost if the forest were converted to development or farming.

### Revenue Model

This is a recurring revenue model. A simplified revenue model is captured in the image above. The dark blue boxes in the lower half of the diagram represent potential annual revenue for the project, with gray boxes representing revenue derived from sale of land rights via the conservation easement, and eventual sale of land. The scale of revenue and profit sought varies based on the target return profile of the fund manager and the expectation of their investors. (See relative size and investment terms, below). This blueprint is seeking market rate risk adjusted returns with a small annual revenue (maybe 1-3%?).

While no IP integral to the business model is patented, technical knowledge of the operating environment in each locale where projects are developed is essential to the viability of the business model of this blueprint. Often, local land trust or conservation organizations hold that knowledge, which underscores the essential nature of the partnerships with those organizations.

### Cash flows and commercial sustainability

Profit is returned to the investors in much the same way it would be in a standard debt or equity deal. The debt lender receives repayment over whatever duration is set forth in the term sheets at deal closing (most commonly somewhere in the 2-5-year range). Similarly, profit is distributed to the fund manager in much the same way as a standard PE deal. The difference, which is often a selling point for sustainable forestry fund managers, is that the conservation easement, often put in place in the first 1-4 years after a fund acquires the land, provides an early return relative to what is standard in other PE vehicles. This is viewed as advantageous from the perspective of the equity investors.

Given the term of the funds aligned to this blueprint (typically 10-12 years) and the investment period (typically 3-4 years), from a financial perspective, these assets are considered mature after roughly 6-10 years. The business model relies on the availability of sufficiently sophisticated conservation organizations, legislation that allows for conservation easements, and land with critical conservation value of sufficient size to justify the deal-related costs. If those criteria are present, the model is replicable in other geographies.

**External dependencies**

**Conservation Easement Policy**

The business model does rely on the existence of conservation easement policies. Across the U.S., in Canada, in some parts of Europe and Latin America, these policies do exist. A good overview of international conservation easement policies can be found in “Globalizing Conservation Easements: Private Law Approaches for International Environmental Protection” by Gerald Korngold<sup>10</sup>.

A conservation easement relies on the ability of a land owner to sell certain land rights but not others, in perpetuity, to a third party. In common law systems, precedent for this regulation is significantly easier to develop, in lieu of passing additional “real rights” to conservation – as is often necessary in Civil law countries. In the United States, the enabling conditions are relatively durable. However, the law simply allows for the sale of land rights, it does not provide a purchaser, and in order for many of these deals to be economically viable, a conservation organization with sufficient capital to purchase the easement is necessary.

In many cases on the presence of concessionary debt providers on a deal-by-deal basis. Forest management plans also require robust research by civil society organizations, NGOs, and other organizations, to understand soil and water quality and to ensure that management practices are sustainable.

**Carbon Markets**

If payments for ecosystem services are included, the model also relies on the presence of regulatory or voluntary carbon markets, potentially subjecting the investments to significant regulatory risk.

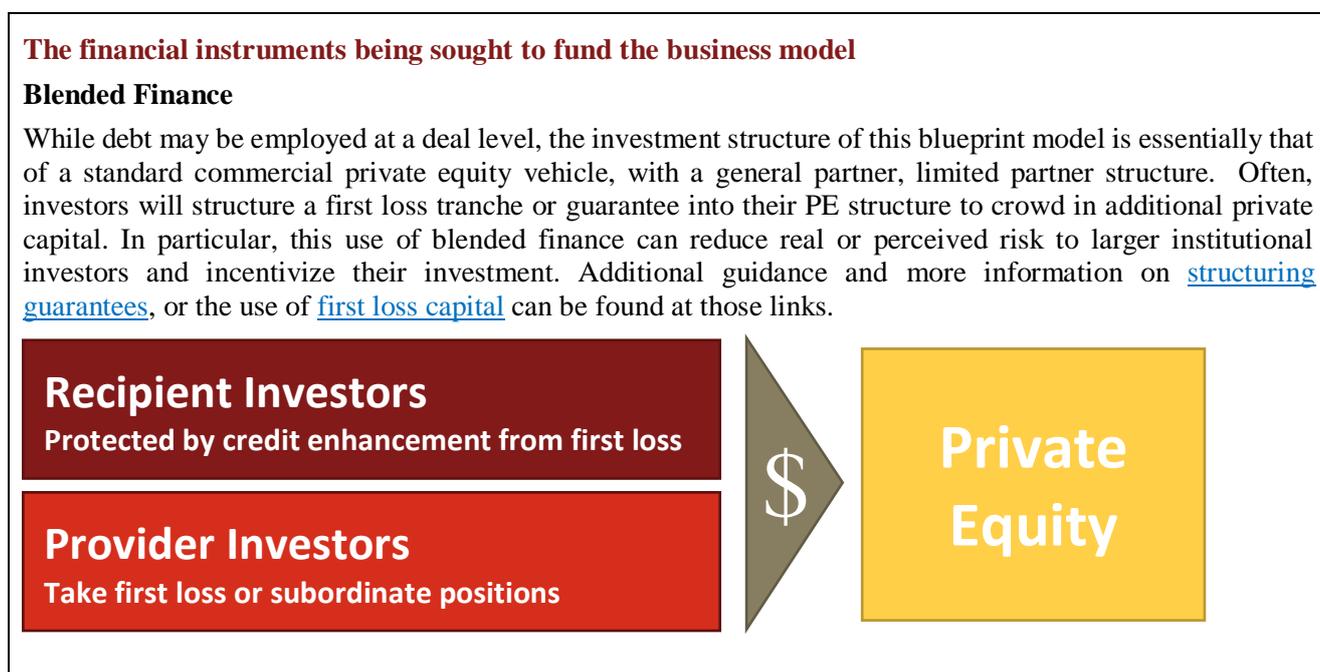
**Risk management**

| Risk   | Mitigation Strategy   |
|--|---|
| Impact Risk: Execution Risk of Conservation Activities | Inherent in the measurement methodology laid out earlier in the blueprint is the development of a Forestry Management Plan, which should lay out both the objectives seeking to be achieved by the fund manager and the potential risks posed by managing the property. Technically a FMP “delineates the application of appropriate technical forestry principles, practices, and business techniques for the management of a forest to achieve the landowner’s objectives.” Details on implementing an FMP can be found in <a href="#">IRIS Metric OI2622</a> . |
| Country and Currency Risk                              | Minimal risk, as Lyme Timber works exclusively in North America.  |
| Macroeconomic Risk                                     | Minimal Risk, as commodity prices of timber and land values are stable in North America.  |
| Financing Risk   | Lyme has secured concessionary financing from multiple sources including federal New Markets Tax Credits, loans from land conservation NGOs, and public financing via Clean Water Revolving Loan Funds.   |

<sup>10</sup> Korngold, Gerald. Globalizing Conservation Easements: Private Law Approaches to International Environmental Protection. Vol. 28, no. 4, p. 54. [https://hosted.law.wisc.edu/wordpress/wilj/files/2011/11/Korngold\\_final\\_9.2.11\\_28-4.pdf](https://hosted.law.wisc.edu/wordpress/wilj/files/2011/11/Korngold_final_9.2.11_28-4.pdf)

|                                       |   |
|---------------------------------------|---|
| Market Demand and Competition Risk    | Minimal, as timber has stable market demand and competition   |
| Perception and Reputational Risk      | Minimal.  |
| ESG risk                              | Annual auditing and reporting of environmental, social, and governance goals.   |
| Conservation Easement Regulatory Risk | Given the precedent for sale of land rights via easements in the US, there is not likely to be much political risk, and therefore not much need for a mechanism to manage that risk. Newly enacted conservation easement rights in common law are of low risk. Risk is higher in civil law countries.   |
| Carbon Market Regulatory Risk         | <p>In terms of carbon markets, forest carbon is unique in that landowners can buy their way out of the sequestration commitment. If carbon markets were to collapse due to some unforeseen regulatory risk, it should be relatively inexpensive for the landowner to purchase replacement credits and remove the sequestration commitment associated with the carbon encumbrance. Important to consider:</p> <p>Mandatory vs voluntary markets per country.</p> <p>Mandatory markets depend on policy decisions, caps emissions and allow carbon credit trading.</p> <p>Voluntary markets are driven by consumer preference.</p> <p>Potential risk: carbon market collapse – in a case of carbon market having a legislative or a financial crisis that caused it to collapse and not be viable anymore.</p> <p>Challenges: continuity, compliance, uncertainty, homogeneity between different country issued credits, lack of international agreement.</p> |

*iv. The investment model*



### **The relative size of these instruments and basic information on their terms**

#### **\$25-\$750 Million in United States**

In the United States, these funds primarily range from ~\$25 Million to ~\$750 Million. Increasingly, as institutional investors become more interested in sustainable forestry, funds will likely continue to increase.

### **Investor types and the finance they provide at different stages of project maturity**

#### **Institutional Investors**

All investors are equity investors at the fund level. Debt is utilized at the property/asset level. Structuring as a straight private equity vehicle can make attracting capital from traditional investors (in particular, pension funds, insurance companies, high net worth groups or individuals (HNWs) less of a challenge. The more that a fund manager can do to make the structure appear as any other standard general partner / limited partner structure, the better. As detailed above, some investors utilize blended finance in order to mitigate real or perceived risk to their LPs.

### **Risk mitigation instruments used and how these were incorporated into the investment structure**

Common risks in forestry investment include risks to underlying assets (forest fires, insects or pests, etc.), and risks to “products”, like carbon and water quality credits, which are based on relatively new markets that are subject to significant changes in regulation. Conservation easements can also present a risk, based on limited market and their one-off nature (e.g. they don’t produce an annual source of income). Concessionary debt plays a role at the deal level. Many investors do not perceive a need to structure a first-loss tranche or guarantee (discussed above), but others do. In rare instances, on a deal-by-deal basis, the project developers will sell a conservation option to a lender at the outset of the project. The underlying forest is also often used to secure the debt. In the United States, sustainable forestry investors typically do not employ insurance mechanisms, though international models often do.

### **The exit strategy employed**

As most of these funds have standard 10-12-year term with a 2-4-year investment period, the fund may hold the land for anywhere from 6-12 years. Typically, exit options include selling land (often at less than what was initially paid based on sale of land rights via easement) to conservation organizations (often the same organization who purchased the easement) or private individuals interested in land conservation, to sustainable timber companies who wish to continue managing the property, or to cooperatives or clubs who provide access to members for recreation at a cost.

Because of the sale of land rights through the conservation easement, investors can be less concerned with finding suitable partners at exit. While responsible exits are a challenge for most impact investors – because of the need to ensure that the successor will share the values of the investors and investee, and work to maintain, measure, and manage the ongoing impact of the business – this mechanism effectively preserves the conservation elements of the deal beyond exit. Any carbon credits issued come with a commitment to monitor and verify that the carbon remains sequestered for 100 years. Even in the absence of an easement, carbon sales are therefore another mechanism to “lock in” long-term conservation benefits.

### **Innovative features of the investment model**

This model of sustainable forestry investment has been developed over the course of the last 30 years by pioneers of conservation investment in the United States. While the use of conservation easements on working land is now seen as the preferred tool for sustainable forestry investment, its application is quite innovative. The way forward, and the reason that sustainable forestry and timber have succeeded in reaching a larger scale

than many other conservation themes, has less to do with innovation and more to do with the institutionalization of the investment vehicles. What began as ~\$50 Million funds capitalized by foundations and HNWs dedicated to conservation, has become a legitimate investment strategy for non-impact institutional investors, including pensions and insurance companies. That is due, in part, to the favorable returns that sustainable forestry is able to achieve relative to the rest of the timber market, but also due to the fact that funds have effectively marketed themselves as sound investment structures, regardless of the impact they are having – in essence, they look like any other PE fund; they are “boring”. For many traditional asset owners, “boring” with a steady return and solid track record is more appealing than innovation.

### Replicability and Scalability

This blueprint is ready for scaling up throughout North America where conservation easements and tax credits exist. The model is replicable in all countries where conservation easements are in place (also called conservation covenants, conservation servitudes, or conservation restrictions)<sup>11</sup>. In certain cases, the easement mechanism requires some additional complexity, specifically, in many civil code countries the easement mechanism must be located on a property where an adjacent property albeit in modest size, is owned outright by the entity that acquires the easement (servitude).

Countries with Conservation Easement Legislation:

| Americas and Caribbean        | Americas and Caribbean (Cont.)        | Europe                      | Africa                       | Oceania and Australia       | Asia                 |
|-------------------------------|---------------------------------------|-----------------------------|------------------------------|-----------------------------|----------------------|
| <a href="#">United States</a> | <a href="#">Nicaragua</a>             | <a href="#">Switzerland</a> | <a href="#">South Africa</a> | <a href="#">Australia</a>   | None currently known |
| <a href="#">Canada</a>        | <a href="#">Colombia</a>              | <a href="#">Germany</a>     | <a href="#">Ghana</a>        | <a href="#">Micronesia</a>  |                      |
| <a href="#">Chile</a>         | <a href="#">Peru</a>                  | <a href="#">Scotland</a>    | <a href="#">Kenya</a>        | <a href="#">New Zealand</a> |                      |
| <a href="#">Mexico</a>        | <a href="#">Paraguay</a>              |                             | <a href="#">Uganda</a>       |                             |                      |
| <a href="#">Ecuador</a>       | <a href="#">Bolivia</a>               |                             | <a href="#">Tanzania</a>     |                             |                      |
| <a href="#">Costa Rica</a>    | <a href="#">Venezuela</a>             |                             |                              |                             |                      |
| <a href="#">Belize</a>        | <a href="#">Argentina</a>             |                             |                              |                             |                      |
| <a href="#">Guatemala</a>     | <a href="#">More on Latin America</a> |                             |                              |                             |                      |
| <a href="#">Honduras</a>      |                                       |                             |                              |                             |                      |

### Acknowledgements

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Many thanks to CPIC Forest Landscape Conservation and Restoration Working Group members and reviewers for their valuable contributions, especially:

Jane Feehan, European Investment Bank  
 Dr. Christine Negra, Versant Vision LLC  
 Natalya Skiba, The Nature Conservancy  
 George Taylor, U.S. Department of State

<sup>11</sup> Disselhoff, T. (2015). *Alternative Ways to Support Private Land Conservation* (No. Ref. No: E.3-PO/07.020300/2015/ENV) (p. 72). Berlin, Germany: The European Commission. Retrieved from [http://ec.europa.eu/environment/life/publications/lifepublications/generalpublications/documents/support\\_land\\_conservation.pdf](http://ec.europa.eu/environment/life/publications/lifepublications/generalpublications/documents/support_land_conservation.pdf)