**Chapter 3 outline**

**Section A (conservation investment)**

*Because the chapter is going to be in two sections, I think I want to avoid big overarching sentences about deforestation, as these will end up being repeated. I think it will be better to make statements about deforestation in the context of the main subject i.e. either conservation investment or PES.*

**Introduction**

Global conservation funding is currently inadequate to eliminate biodiversity loss. Recent estimates suggest that the conservation funding shortfall is of the order XX. Therefore, to have the greatest positive effect on conservation as possible, managers need to ensure investment of scarce resources is strategic and efficient, ensuring that each dollar maximises biodiversity outcomes. Investing conservation funds strategically is made more difficult by the dominant funding model that exists in conservation which is based on short-term grants (generally 1-5 years). Most conservation projects or initiatives, even in wealthy countries with relatively well-funded protected area networks, rely on such short-term grants to launch programmes, conduct research, and implement key activities such as training, engagement, enforcement, and outreach. This funding model results in long-term budgets that are non-linear, and unpredictable. The financial stability of a conservation project, or organisation, is reliant on the ability to leverage external funding through grant applications, which are inherently competitive and have a low success rate. Therefore, conservation projects go through periods of relative affluence when conservation activities (such as enforcement, policy interventions, community engagement) can increase in scope and scale, ultimately leading to net benefits for nature. The same projects will inevitably go through periods of financial hardship, which often occur in between grants. During these periods financial expenditure is restricted to minimal core activities, project activities wind down, staff redundancies occur, and initiatives end. These periods can have serious negative effects on conservation projects. Projects lose talented staff and institutional knowledge, trust between stakeholders and the project/organisation can be lost as commitments may not be met, and the project may not be seen as reliable or long-term if the level of support to partners and stakeholders is inconsistent. In many parts of the world where unregulated or illegal activities such as forest clearance and hunting of wildlife threaten conservation landscapes, periods of financial hardship can cause increases in these activities as project support for enforcement, engagement, outreach, and overall project visibility decreases.

Deforestation is driven by complex array of drivers operating at different scales, and the loss of forests has negative consequences for biodiversity, the climate, ecosystem functioning, human well-being