

**AVILAN
COUNTRY BACKGROUND**

- *Full name:* The Republic of Avilan
- *Capital:* Naliva
- *Population:* 3,453,242 (July 2011)
- *Area:* 1,345,278 sq km
- *Major language:* Avilani (official)
- *Human Development Indicators*
 - Life expectancy at birth: 62,9 years
 - Under five mortality (per 1000 live births): 71
 - Adult literacy (15 and above): 61,2
 - Maternal mortality ratio (per 100,000 live birth): 423

Note: Avilan is a fictive country which has characteristics similar to many of the countries engaged in UN REDD work world-wide.

Geography

Avilan is a country of high geographical and topographical diversity. Much of its area is covered by plains and steppes, with mountains to the north and west and a desert area to the south. In the southwest, covering the provinces of Bhandum, Falima and Tralan, large areas of tropical forest stretch from the northern plains along the borders of the neighbouring countries. On average, temperatures are very high in the summer and low in winter, and in the southwestern border areas it is generally hot and humid. The slopes of mountains are much warmer due to temperature inversion (temperature increases with altitude), and as the rivers reach the tropical forests, they nurture a rich flora and fauna. A unique microclimate is the fertile grassland-forest region of the central Ghula province, where January temperatures are often higher than the warmest desert regions to the south. The contrasts are striking. While the annual average temperature in Naliva in the north east is 2°C, the Bhandum-Falima-Tralan belt (BFT) is known for a steady hot and tropical climate, temperatures rarely going below 25°C. The northern part of the country averages 243 cloudless days a year, and it is usually at the center of a region of high atmospheric pressure. Precipitation is highest in the north and in the south west (average of 300 to 550 millimeters per year), particularly in the forests of the Hatani province in the north-west and in the BFT.

Demography

Approximately 25 percent of the population is nomadic or semi-nomadic. The majority of the state's citizens are of Avilani origin, although other minorities also live in the country, especially in the west and along the south-western borders, such as the Thirulini. Having migrated to the fertile forests and land along the rivers across the border, these minorities live close to indigenous communities, generating certain tension as they engage in logging for commercial purposes and use slash-and-burn techniques to have access to more arable land. About 20 percent of the population lives on less than USD 1.25 per day. Avilan's population growth rate is estimated at 1.2 percent (2007), and about 55 percent of the total population is under age 30, 28 percent of whom are under 14. This relatively young and growing population has placed strains on Avilan's economy. Over two thirds of Avilani people live in the countryside. The population is very dispersed and there are about 24,000 villages and settlements in the rural areas [2008]. Some of the indigenous communities which live off the BFT forests are isolated and rarely interact with other Avilanis. The predominant religion in Avilan is Buddhism, but other religions exist, particularly among the small minority and indigenous groups.

The Economy

The main economic activity in Avilan has traditionally been based on herding and agriculture, although development of extensive mineral deposits of copper, coal, tin, tungsten and gold have emerged as a driver of industrial production. New studies also speculate that the tropical forests sit on huge deposits of minerals, oil and gas. Mining constitutes 23 percent of GDP and agriculture about 15 percent. As of 2006, almost 70 percent of Avilan's exports went to Thiruli, a country which also supplied 33 percent of Avilan's imports. Avilan is ranked as lower middle income economy by the World Bank and about 20 percent of the population lives on less than USD 1.25 a day. GDP per capita in 2011 was \$3,250. Despite some growth and progress, the proportion of the population below the poverty line was estimated to be 34 percent in 1998, 37 percent in 2003 and 31 percent in 2006. A boom in the mining sector generated high growth rates for Avilan in 2005 and 2006 (10.2 and 9.3 percent, respectively), but in 2009 sharp drops in commodity prices and the effects of the global financial crisis caused the local currency to drop 35 percent against the US dollar.. GDP growth in 2011 was expected to reach 12 percent, but inflation continued to reduce GDP gains, with an average rate of 9 percent expected for Avilan as a whole at the end of 2011. The country is still struggling to overcome a sizable trade deficit, but optimistic prognoses expect the trade deficit to transform into a surplus in 2014. Avilan was never listed among the Emerging markets countries until March 2012 when Citigroup analysts predicted the country

to be one of Global Growth Generators - countries with the most promising growth prospects for 2010–2050. Facing some financial constraints, the Government is also pursuing a new strategy to explore and extract the potential wealth of minerals and oil said to exist in the south-west, and have allied with some larger companies from the neighbouring countries in an attempt to generate necessary revenue off the forests. In 2002, about 25 percent of all households in Avilan lived from breeding livestock. Most herders in Avilan are nomadic or semi-nomadic pastoralists. Due to the severe 2009–2010 winter, Avilan lost 8.2 million animals, or 20 percent of total livestock. This immediately affected meat prices, which increased twofold.

Mineral Industry

The state-owned Avilani Mining Company (AMC) employs 19,000 workers and will be producing 470,000 tonnes of copper a year by 2020. Minerals represent more than 70 percent of Avilan's exports, a proportion expected to eventually rise to 90 percent, principally caused by the issuance of more than 2,500 mining licences. Mining continues to be a major industry in Avilan, as evidenced by a number of foreign companies opening and starting mining businesses in the country. In summer 2009 the government negotiated an agreement with some of the world's largest mining companies to develop the AMC's copper and gold deposit, considered the largest foreign investment project in Avilan and expected to account for one-third of the country's GDP by 2020. Much against the will of indigenous groups in the area, licences are also given to a couple of huge timber and oil companies from a neighbouring country which will explore extraction in the pristine and virgin tropical forests of the BFT belt. Furthermore, in May 2011, six large mining companies bid for the Nulivo area, one of the world's largest untapped coal deposits, also raising concerns with regard to coal dependency and environmental consequences if developed to maximum capacity.

Forests

Avilan has medium forest cover, with just over 24 percent of the country covered by closed forests. The forests are mainly located in the north-central parts of the country, where certain mountain slopes are clothed with boreal taiga forest, and in the three south-western provinces, where the forests are tropical. Due to a brief warm period in the northern half of the country, the growing season is not long enough for many plant species. At lower altitudes, a high degree of biodiversity occurs in the rainforests in the BFT belt and in areas where the taiga forests meet the plains and the steppes. Here mixed conifer and broadleaf forests intermingle with lush grasslands, and it is in this zone that the most heavily populated areas are found. The fauna includes species characteristic of both taiga and steppe. The tropical rainforests have for long been ignored and little is known about the flora

there. However, advanced studies in the countries right across the border suggest a uniquely rich wildlife and much to be discovered in terms of plant and animal species which may not exist anywhere else.

Due to the relatively harsh climate in the north, predominantly dry and windy weather, the forest's growth rate there is slow. In contrast, the lush forests in the south-west grow rapidly and have not as of yet been exposed to any state intervention. Avilan's forests provide a multitude of advantageous ecosystem services with respect to climate change and other environmental problems, serving as carbon sinks and watershed protection, and play an important role in preservation of permafrost, particularly in the north, and in reducing harmful emissions. There are also significant areas of arid forest and shrub land in the southern deserts. An important desert plant is saxaul, an almost leafless woody shrub that can grow up to 4m high. Saxaul "forests" cover large areas of southeastern Avilan, protecting the fragile desert soils from wind erosion.

All forests and land in Avilan are owned by the State. Since 1990, the institutional and legal framework of the forestry sector has changed several times after proposals submitted to Parliament by both the Ministry of Agriculture and the Ministry of Environment. While the Ministry of Agriculture would like to see more land available for food production, the Ministry of Environment has pushed for legislation such as the "Forest Law", the "Law on Protection from Forest and Steppe Fires", the "National Forestry Policy" and the "National Forest Master Programme", which have provided the legal foundation for the protection and proper use of forests. The Avilani Forest Law makes it clear that forests are functionally classified as strictly protected forests (8.7 million ha), protected forests (7.3 million ha) and utilisation forests (5.4 million ha). The extent of utilisation forests has been progressively reduced since 1993) by transferring areas to the category of strictly protected and protected forests. However, incursions into protected forests by illegal loggers and miners are frequent and corruption in the police and forest monitoring bodies means that offenders are rarely brought to justice.

The exception to protection measures is the BFT Belt, where the Government has not yet intervened to promote conservation. In the recent years, as the powerful Ministry of Trade and Industry has been promoting opportunities for logging, oil exploration and mining in the tropical forests, the few CSOs and indigenous groups in the BFT Belt who speak out against intervention have been often been silenced or not been given much exposure in mainstream media. In the context of financial difficulty, and not considering the views of the largely unorganized indigenous

groups in the BFT area, extraction seems much more attractive to certain members of the Government and the majority of Avilanis.

As mentioned above, some 16 million ha, about 9 percent of the Avilani territory, have so far been declared as protected areas, but this is merely restricted to the more populated areas in the north and north east. Researchers and scientists state that approximately 35 percent of the habitats of rare and endangered species of animals and plants of Avilan are included in the Protected Areas (PA) system, but this is probably a modest set of statistics, as the southwestern tropical forests have been the subject of few and incomplete studies. Where there is protection, however, conditions of most PAs are not satisfactory due to lack of proper management. Much remains to be done to tap the PA's potential to earn revenue through non-destructive uses such as eco-tourism and wildlife-based recreation. Management of the large PA systems would require considerable investment. Without a regular and adequate source of revenue, it will be difficult to manage the PAs, and there are limits to donor support. Ironically, some strong voices in Parliament speak out for extraction in the tropical forests in order to fund more protective measures in the forest areas in the northern and northeastern areas. The Avilani Government has had a programme of tree replanting for more than 25 years, administered by the Ministry of Environment. Nevertheless, the quality of forest plantations is generally poor due to the lack of adequate forest management, and partly due to the influence of the harsh climate. The programme also completely excludes the large forest areas in the BFT region. The area successfully replanted represents only 7 percent of the total forest lost, mostly due to low survival rates of the seedlings. At present, 170,000 ha of forest need to be restored; however, only 6,000 ha are being restored annually.

Forest Degradation

The major causes for deforestation and forest degradation are forest fires, overgrazing and mining, improper forest management, poor enforcement of forest legislation, damage by pests and diseases and the ever increasing climate change impacts. 650,000 ha have not regenerated after fire damage and 210,000 ha are still damaged after clear-cutting. 18 percent of the forest ecosystem in the north has been replaced by non-forest eco-system. Reports indicate that forest cover over an area of about 1.6 million ha has been lost since 1982. Furthermore, management of forest resources in Avilan suffers from unregulated use and inadequate protection. According to a survey on human impact on ecosystems in Avilan over the last 100 years, some 35 percent of all forests in have been impacted at some level or other. This does not include the largely untouched tropical forests in the south west, where the human impact so far has been limited, mostly due to the indigenous' sustainable

practices through centuries. In arid regions, shrubs and bush from sparse woodlands are used for fuel wood without any long-term management. Woodlands are cleared at increasing distances from the settlements, and some of the ethnic minorities which migrated into Avilan from the neighbouring countries such as Thirulini along the southwestern border have gone far in exploiting the forests and the land, generating increasing tension with the indigenous communities in the area.

Finally, climate change is expected to have significant effects on the re-growth and productivity of forests. Climate scenarios indicate that the forest area in the north might decrease due to expansion of the steppe and desert zones. The high mountains, tundra and taiga regions are expected to decrease by 2-6 percent in 2020 and 5-18 percent in 2050. The area of the forest steppe may decrease by as much as 4 percent in the first quarter and 9 percent in the second quarter of the 21st Century. The forest gap model (FORET) was used to estimate future changes in the species composition and productivity of specific sites.

Other Key Stakeholders in the Forestry Sector

A National Forest Council was established in 2003 by the Ministry of Environment and is composed of officials from the Ministry of Environment, the Ministry of Agriculture, the Ministry of Industry and Trade and the Ministry of Social Development, in addition to the interest-group National Forest Conservation Society, the NGO Avilani Nature Conservation (ANC) and a couple of national think tanks on natural resources and trade which are affiliated to the Avilani Academy of Sciences. The Council was intended as a forum for different actors to discuss issues of common concern but is largely ineffective as key stakeholders rarely attend meetings or implement decisions made.

The organized and more formal civil society in Avilan is relatively small, fragmented and lacks capacity for advocacy and political pressure. A couple of environmental NGOs, notably Our Planet and Avilani Nature Conservation (ANC) try to promote conservation of the steppes and the forests and push Government towards policies which will stop or reduce mining and oil exploration, but they have failed to get the attention of the Parliament and of media. Seemingly, the public at large is not aware of the environmental challenges the country is facing and takes little interest in the BFT Belt, where the tropical forests are located.

Many people, particularly in Naliva, tend to think of the BFT region as a backward region of indigenous people, far from the modernity they envision for their country's future. The indigenous groups in the BFT Belt are largely unorganized and have not succeeded in convincing the public and the politicians of their plight and the forests'

importance. Due to tension with ethnic minorities who immigrated from the neighbouring countries, especially the Thirulini, they are also fragmented and are unable to focus their energy on forest conservation. A conflict arose when the Thirulini migrated to the BFT area some decades ago, and while some indigenous factions supported the new arrivals, others did not, fearing that they had no interest in protecting the forests and the wildlife there. As a consequence, some indigenous groups were expelled from the BFT area and many of them sought refuge in Naliva, among them the well-known Goruu brothers. Some reports state that their bitterness made them ally with the Thirulini and other more organized ethnic minorities, as well as political groups who are against the protection of the forest, such as the right-wing Progress Alliance and the Democratic Forces of Good. There is also speculation that these groups and individuals will gain financially from allying with the oil and mining industry, working against their own communities for personal benefit. The Goruu brothers and their associates work closely with the private sector, such as the mining companies Carbon Trade Incorporated (CTI), Aluminix Avilan Ltd, Mineralia Associates and the media umbrella Avilani Media Corporation (AMC), which controls most of the key media outlets in the country.

The brothers also work with the Thirulini and use their contacts extensively to participate in the National Forest Council meetings, asserting that they represent the indigenous communities of the BFT. Their strong voice, in contrast to the largely unorganised indigenous community from the BFT Belt (to which the Goruu brothers belonged), may indicate that support for forest protection is low and that the mining and oil companies are gaining ground.

The President, however, has made several public announcements in favour of the sustainable use of forests and has set up an inter-ministerial task force to oversee REDD+ preparedness. Indigenous people and environmental protection NGOs, such as Our Planet and Avilani Nature Conservation (ANC), view the Task Force with suspicion and are split on whether to engage in the process.

Some international NGOs, such as the Rainforest Alliance, Survival International and World Wide Fund for Nature, have repeatedly spoken out quite vocally on behalf of the indigenous groups and CSOs such as Our Planet and the ANC, but their activities are carefully monitored by the government, which fears negative publicity on deforestation can affect REDD+ negotiations.

UN-REDD in Avilan

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In the region, the Programme is currently supporting 13 REDD+ countries, including Avilan, in readiness capacity development through a multi-faceted and flexibly structured approach/process to address many inter-related issues in five key areas:

1) Monitoring, Reporting and Verification (MRV); 2) Transparent and Equitable Benefit Sharing; 3) Governance; 4) Stakeholder Engagement; and 5) Green Economy – all with the view of facilitating the establishment of appropriate REDD+ policies and measures, and in addressing the Social and Environmental Safeguards as recommended in the Cancun Negotiation Text (paragraphs 69 and 71 d)

As a step towards sustainable growth, and perhaps despite the decision to issue licences to mining and oil companies in the BFT Belt, the President of Avilan has made an executive decision to prioritize REDD+ readiness as one of the national priorities in environmental protection, as indicated in Avilan's proposed nationally appropriate mitigation actions (NAMAs) and Second National Communication to the UNFCCC.

On the basis of this, the UN-REDD Programme has decided to provide technical assistance to Avilan in preparing its National REDD+ Roadmap to start implementing activities for strengthening and developing relevant policies and measures and building technical and institutional capacities ultimately required for performance based payments in REDD+. Avilan's REDD-Preparedness Proposal (R-PP) sets out to deliver the following outcomes through Avilan's first phase of REDD+:

Outcome 1: Management arrangements contributing to the National REDD+ Process

Outcome 2: Improved stakeholder awareness and effective engagement

Outcome 3: Inclusive and transparent governance systems and structures developed/ improved

Outcome 4: Monitoring and MRV functions for REDD+ activities developed

However, the implementation of the Roadmap preparing Avilan to become REDD+ ready, requires substantial financing from internal and external sources, while also requiring the capacity of the Government to effectively and strategically manage financial resources for REDD+ Readiness.

The Avilani Government has established the Human Development Fund to share public revenues from the mining sector with its citizens, and the Fund is co-managed by the relatively weak Ministries of Environment and Social Development. In a similar manner, funding for environmental protection and conservation activities

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through the central system is expected to increase, as the Government puts stronger emphasis on addressing environmental challenges as part of its sustainable development strategies. Therefore, the forestry sector could also experience an increased level of funding from the State Budget, but it is not clear whether this would be through the budget of the Ministry of Environment or the Ministry of Social Development.

However, due to the general lack of awareness among policy makers of the forest sector's economic and other potentials, the sector has not been given significant importance in the national planning process, and, additionally, the southwestern forest areas have seemingly been largely neglected. At the institutional level, the Forestry Unit within the Ministry of Environment currently receives a core-budget allocation each year through the central fiscal framework, mainly for replanting of trees. The allocated amount is different each year depending on the delivery status of the previous year and submitted action plan for the new budget year. By increasing the overall capacity of the Unit to plan, absorb funds and deliver results effectively and strategically based on its sectoral policy, an increased and steady funding stream through the central system should therefore be secured.

As the Forestry Unit plans to integrate the REDD+ Roadmap into its annual action plan and budget for 2014 onwards, there is an increased possibility for the Unit to self-finance many key actions of the Roadmap.