Arannayk Foundation: At a Glance

Background and Origin

Arannayk Foundation, also known as Bangladesh Tropical Forest Conservation Foundation, was established on 26 July 2003, through an agreement between the Government of the People’s Republic of Bangladesh and the Government of the United States of America. This was done under the auspices of the Debt Reduction Agreement signed on 12th September, 2000, by the two governments, through which Bangladesh agreed to be pursuant to the US Tropical Forest Conservation Act of 1998 in lieu of gaining reduction of certain debts that it owed to the United States. Arannayk Foundation is registered as a not-for-profit company limited by guarantee (Reg. No.C-550(02)/2003) and not having a share capital under section 28 of the Bangladesh Companies Act 1994. It's headquarters is based at 572/K Matikata, (Wasi Tower, 6th Floor), ECB Chattar, Mirpur DOHS Road, Dhaka 1206 and it has a regional office at Cox's Bazar at Anderson Road.

Vision and Mission

Together with its associated agencies and support organizations, the Foundation envisions that the natural ecosystem and biodiversity resources of the forests in Bangladesh are maintained in a sustainable manner by responsible stakeholders through collective efforts – providing access and benefits to local communities, national economy and the humankind at large in an equitable manner.

In regard to its own future, the vision of the Arannayk Foundation is to become:

- a) the premier agency in creating partnership among the public and private sector organizations and institutions engaged in activities relating to forestry;
- b) the leader for intervening between the private and public-sector agencies to coordinate all forestry-sector activities following a systematic method;
- c) a top developer of models for poverty alleviation through forestry related activities; and
- d) financial support provider in the forestry sector.

The mission of Arannayk Foundation is to facilitate conservation, protection, restoration and sustainable use and management of tropical forests in Bangladesh through awareness and capacity development of stakeholders for planning and implementing necessary policies, programs and projects.

The Foundation either executes field level program or provides financial grants or other support to eligible entities for activities aimed at conserving, protecting, maintaining and/or restoring tropical forest and biodiversity assets of Bangladesh. The activities supported or carried out by the AF include:

- a) establishment, restoration, protection and maintenance of protected areas and reserves;
- b) development and implementation of scientifically sound systems of natural resources management;
c) training programs to increase scientific, technical and managerial capacities of individuals and organizations involved in forest conservation;

d) restoration, protection or sustainable use of diverse animal and plant species;

e) research and identification of medicinal uses of tropical forest plants; and

f) development of alternative livelihoods of the individuals living in or near a tropical forest, in a manner consistent with the protection of the forest.

The Arannayk Foundation works in partnership with local communities or with the non-governmental environmental, developmental and educational organizations active in forests and biodiversity conservation related activities.

**Governance**

The apex body of the Foundation is its Board of Directors that consists of seven honorary Member-Directors. The Board members include a representative of the US Government and another from the Government of Bangladesh; the rest five are selected from organizations of the following three categories: (a) environmental organizations, (b) community based local development organizations and (c) scientific and academic institutions dealing with forestry.

The USAID Program Office Director and the Joint Secretary (Development), Ministry of Environment, Forests and Climate Change (MoEFCC) are the ex-officio members, of the two Governments, in the Arannayk Foundation Board. The five non-governmental representatives are selected by the MoEFCC through an open solicitation process and in consultation with the USAID Mission in Bangladesh for a term of three years with possibility of extension for a maximum of one more term. The Board members meet at least three times a year, and decide policies, plan and activities of the Foundation.

The implementation of the decisions of the Board and other day-to-day activities of the Foundation are done by the AF Secretariat consisting of a dynamic team of technical and financial management experts headed by an Executive Director who is the Chief Executive Officer (CEO) of the organization.

**Board of Directors**

1. Todd Andrews, Program Office Director, USAID/Bangladesh (Representative of the US Government)

2. Ms Khurshida Yasmin, Joint Secretary (Development), Ministry of Environment & Forests, Bangladesh Secretariat, Dhaka (Representative of the Bangladesh Government)

3. Mihir Kanti Mazumder, Ph.D. Chairman, Palli Sanchay Bank, Former Secretary to the Govt. of Bangladesh

4. Niaz Ahmed Khan, Ph.D. Professor, Department of Development Studies, Dhaka University

5. Raquibul Amin, Country Representative, IUCN, Bangladesh

6. AZM Manzoor Rashid, Ph.D. Professor, Department of Forestry and Environmental Science, Shahjalal University of Science and Technology, Sylhet

7. Enamul Hoque, Founder Chairman, Bird Club of Bangladesh

*The chair of the Board is elected for one year. Current Chair is Niaz Ahmed Khan, Ph.D.*

**Operational Procedure**

**Management of Grants:** The AF received a grant of USD 8.5 million for 18 years commencing from 2000 for promotion of forests and biodiversity conservation. The fund was received in
declining method in monthly instalments through Bangladesh Bank. The AF used the fund through
providing grants to relevant organizations. It solicited proposals which were screened through a
set procedure, established by the Board. So far, 37 projects were implemented utilizing the fund
which were given mostly to local NGOs. Some grants were given to the universities for biodiversity
monitoring and conservation of critically endangered species. To know detail about grant making
procedure, please visit AF Website: www.arannayk.org

Direct Delivery:

Projects supported by any organizations such as World Bank, GIZ, ICIMOD, etc. are implemented
directly by the AF. At present AF is implementing a project in Rohingya Influx

Financial Management system of Arannayk Foundation

Arannayk Foundation (AF) has an automated financial management system that operates under a
strong internal control framework following the International Accounting Standard (IAS) adapted in
Bangladesh Accounting Standard (BAS). AF has an approved operative manual consists of-

a) Competitive grant making procedure
b) Financial management and monitoring system of the implementing partner including Grant
Management Software (GMS) manual
c) Finance manual
d) Procurement manual
e) Personnel (Human Resource) manual

AF has an automated online payment mechanism for anywhere in the country or aboard through
“Straight To Bank (STB) "software provided by the Standard Chartered Bank. The financial
management is done through a reputed and widely accepted web-based ERP system developed
by Tally Solution India named,“Tally.ERP9". It made the management information and decision
support system of AF very strong and efficient.

A customized web based financial management, reporting and monitoring system called “Grant
Management Software (GMS)“ has been developed and implemented for the partner organization
of AF. The GMS consists of 8 real time online operating modules that can be monitored and
intervened from anywhere in the globe (e.g. Financial Planning, Cash Book Journal, Cost Center
Accounting, Bank Reconciliation, Outstanding Management (advances/receivables/payables),
Automated reporting (Receipt-Payment, Budget Variance, Fund Utilization etc.), Ledger / Register
Control, Master Data (Period control, Chart of accounts, Bank accounts, Donor accounts, Cost
Centers etc.). This made the fund management system of AF highly transparent and efficient.

Annual external audit of AF activities is carried out by an independent Charted Accountant firm for
each of the implementing partner of AF and AF headquarter.

Significant Achievements and Impacts

The projects of the Arannayk Foundation have made significant impact toward restoration and
conservation of biodiversity in national Protected Areas (PA) as well as in community conserved
forests and rural homesteads. Some specific examples of such impacts are:

- Stabilization of landslide areas and creation of forest resources in Rohingya Influx Areas: Jointly with FAO, the AF has stabilized 40 acres of landslide vulnerable areas within
camp and restored 160 acres of degraded forests within host communities. The AF has also
helped improving livelihood of host communities through alternative income generating
activities.
• Restoration of conservation of Inani Forests in Cox’s Bazar: Inani is one of the most critical Asian Elephant habitat in the country. The AF, jointly with Bangladesh Forest Department and local NGOs were involved in restoration of degraded forests and protection of habitat of Asian Elephants in Inanisince 2009. The AF also supported forest dependent climate vulnerable forest dependent poor and extreme poor communities in forest conservation through alternative livelihood development. It was found that through livelihood support to the forest dependent climate vulnerable poor and extreme poor household, their livelihood improved by about 60% and that has contributed to about 70% illicit forest harvesting within three years. The AF has been working in 70 villages of Cox’s Bazar District.

• Conservation of endangered tree species: Through supporting 26 local nurseries for raising endangered species, 150 species have been identified of which 50 species were identified as critically endangered. Nursery owners were trained on raising seedlings of critically endangered species and supported to raise those endangered species. Those nurseries are now producing seedlings of endangered species along with other species making indigenous species available for plantation.

• Collaborative Forest Management: Jointly with Forest Department, Arannayk Foundation has contributed to conserve about 25,000 hectares of forests which were under serious threats of deforestation. Those forests have been brought under co-management system involving local communities.

• Sustainability of interventions: The AF has created revolving loan fund of BDT 200 million with community contribution and contribution from AF. The fund is managed by the communities for alternative livelihood activities. Now there are 558 community-based organizations (CBOs) having 20,000 households as members of the CBOs.

• Alternative Income Generating Activities: So far, the CBOs adopted more than 30 AIGAs. The profitability varies with locality and market demand. However, in general households look for a quick returning AIGA. In most cases, vegetable cultivation is found to be the first choice followed by poultry rearing. Other profitable AIGAs include cattle fattening, cow rearing, fish farming, small trade, rickshaw and van, tailoring and handicrafts making.

• Restoration of community conserved areas: In Chittagong Hill Tracts, eight community conserved forests covering an area of 15,000 ha have been brought under sustainable management by developing technical, organizational and management capacities of the indigenous communities concerned.

• Restoration of critically endangered species: 63 endangered native tree species of Bangladesh have been saved from local extinction through establishment of conservation plots (also serving as seed stands) within Chittagong University Campus and multiplication of those species by 26 private nurseries in different parts of Bangladesh.

• Promotion of improved cooking stoves (ICS): In all field-based projects, use of ICS has been ensured by the project participants which has contributed considerably in reducing collection of fuelwood from the forests. So far, 25,000 ICS have been installed in the project areas.

• Documentation of biodiversity of different forest areas: Biodiversity (flora, fauna) of six national protected areas (Rema-Kalenga, Dudhpukuria-Dophakhali, Fasiakhal and Teknaf Wildlife Sanctuaries, Inani National Park, Sitakunda Eco-park) and two community conserved forests (in CHT) have been documented along with prescriptions for habitat management that would help in development of management plans for those forests.