



SAVING  
LIVES  
CHANGING  
LIVES

## WFP's support to Climate Resilient Agriculture and Food Systems in Bhutan (2019-2023)

### National Priorities for the Agriculture Sector

In the 12th Five Year Plan (FYP) 2018-23, the Royal Government of Bhutan (RGoB) has drawn strategies to promote commercialization, agribusiness development and diversification while ensuring food self-sufficiency. The Renewable Natural Resources (RNR) theme for the 12th FYP is "Enhancing food self-sufficiency and spurring RNR sector transformation while ensuring sustainable natural resource management". While about 60% of the population is engaged in agriculture, Bhutan still imports about 50% of its total food consumption. Hence, the approach in the 12th FYP is to strive to achieve national food self-sufficiency while asserting commercialization and market intensification programmes across the agriculture value chain.

### Challenges in the Agriculture Sector

COVID-19 has effectively exposed structural and persistent issues for the agriculture sector, while at the same time inspiring a national commitment to find long-term and transformative solutions to Bhutan's food system.

Bhutan faces food security issues and is dependent on food imports from India due to limited arable land available for agriculture (2.6% of the land). The country remains highly vulnerable to natural hazards, increased climate variability and change including an increase in extreme weather events. Currently there are limited investments made in research, innovation and technology in the sector. Agricultural production costs in Bhutan are high compared to India.

Some of the broad issues and challenges for the RNR sector identified in the 12th FYP are as follows:

- Rural-urban migration and farm labour shortages
- Human wildlife conflict
- Limited access to assured irrigation and poor water management
- Limited agro-enterprises and commercial farming
- Limited aggregation of production and inadequate marketing system
- Distinct geographical conditions, climate and disasters
- Limited agricultural land resource

- Import dependent economy
- Limited access to credit and subsidies
- Increasing pressure on biodiversity

Employment in agriculture consists mainly of self-employed small-scale subsistence farming with low productivity and often with limited processing and value addition. Marketing of agriculture produce remains a challenge in terms of aggregation, quality assurance, post-harvest handling and packaging, storage, transportation and connecting to viable markets. Knowledge management, documentation of lessons learned and scaling-up of successful agriculture models have not yet been fully leveraged in the agriculture sector

### WFP's Food Systems Approach

WFP's strategic objective "SDG 2 – Zero Hunger" focus on ending hunger, improving nutrition, improve food security and production, ensure climate-resilient and sustainable food systems, capacity strengthening & policy coherence.

WFP's experience and analysis point to three deeply rooted and related systemic problems in food systems. They are 1) the bad year or lean season problem; 2) the last mile problem; and 3) the good year problem with high production. When ignored, the three systemic problems generate food and nutrition insecurity.

By weakening food systems, these problems also increase the risk that food systems will collapse under shocks. To overcome the systemic problems, suitable interventions via complementary investments, policy reforms, enhanced capacities, transformative partnerships and institutional innovations are designed. This system is typically operationalized via the five areas – a) climate action, b) social protection and safety nets, c) smallholder market support, d) nutrition and e) supply chain.

### Focus and Partners

WFP is the inter-agency lead in agriculture and has built a partnership with the RGoB, the World Bank, IFAD, FAO, ITC and UNDP to help Bhutan in enhancing food and nutrition self-sufficiency and agriculture sector transformation

In adapting to the Bhutan national pathway for agriculture development and the new RNR strategy 2030, WFP is positioning itself on the following key strategic areas. This would enable WFP to find its niche area of expertise and intervention in Bhutan, while building complementarity and partnership with other UN agencies and development partners supporting the RNR sector in Bhutan. These key areas are:

- Support rural women's economic empowerment through the capacity strengthening of farmer groups and their linkages to market opportunities at the Gewog to District levels
- Building value addition, market facilitation and business incubation opportunities higher up the value chain for emerging Cooperative, youth and private sector enterprises
- Providing enhanced digital market information services and contract services to smallholder farmers and buyers
- Strengthening market efficiency through enhanced supply chain linkages including the identification and facilitation of improved transport and market infrastructure services
- Coordination of agriculture interagency group for better synergy and knowledge sharing.

### Impact

Through a series of targeted programs, capacity building trainings, data and systems strengthening, field activity support and technical assistance, WFP intends to raise rural household income, create additional jobs, increase

value & volume of sales, increase the proportion of local produce in school meals, improve dietary diversity, production of nutritious crops, and link farm products to viable markets.

Through the new GAFSP funded Building Resilient Commercial Smallholder Agriculture (BRECSA) project, WFP would be providing technical assistance in climate resilient agriculture production and creation of jobs and income through resilient value chains. Some of the main activities would be the Consolidated Livelihood Exercise for Analysing Resilience (CLEAR) exercise, used to better understand how livelihoods are vulnerable to the climate variability (such as shifting rainfall patterns, rising temperatures etc), development of district resilience plans, development of climate smart agricultural technologies, strengthening of farmer groups and cooperatives, enhance multistakeholder platforms and strategic investments, value chain and market system development, promotion of high end niche products for export markets, enhance nutrition sensitive agriculture, and enhance use of digital solutions for agriculture development.

A near real-time integrated agriculture statistical, monitoring and reporting system is being developed with the RGoB to improve agricultural statistics, market related data, and data on rural livelihoods including farmer income. This will help to provide sector-wide agriculture data for better production planning, targeting of agriculture services and for stronger feedback and learning across the sector.

### COVID-19 Response

WFP supported the Government's Economic Contingency Plan, in which the Agriculture Stimulus Package been given national priority to increase Bhutan's agriculture production, food security and resilience in the wake of COVID-19. WFP's assistance supported rural livelihoods, production of nutritious crops, post-harvest management, farm level storage, farmer linkage to viable markets including schools and institutions, and integrated capacity strengthening of farmers, government agencies, local entrepreneurs and value chain service providers.

