



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

### 1. 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 12<sup>th</sup> 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 commercialisation and market intensification programs across the agriculture value chain.

### 2. 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 12<sup>th</sup> FYP are as follows:

- Rural-urban migration and farm labour short-

ages

- 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.

### 3. WFP's Food System 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 operationalised via the five areas – a) climate action, b) social protection and safety nets, c) smallholder market support, d) nutrition and e) supply chain.

#### 4. Focus and Partners

WFP 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 through the Country Strategic Plan 2019-2023.

#### Agriculture Value Chain Approach:



WFP Bhutan has a strategic system approach to climate resilient agriculture development and is investing USD \$7 million in supporting the RGoB across the agriculture value chain. Based on the diagnosis of key issues and challenges, WFP has developed a strategy to provide policy, technical and infrastructure assistance in the agriculture sector along the sector value chain.

#### WFP’s System Approach for the Agriculture Sector



WFP’s assistance will be implemented through various programs and activities to increase demand for local food, improve production capacity, post-harvest management, marketing, knowledge management & cost efficiency and coordination & policy. The focus is on transforming resources into tangible development results through past lessons, sharpened focus and consolidation.

A near real-time integrated agriculture statistical, monitoring and reporting system will also be 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.

WFP will also support the RGoB in conducting the “Consolidated Livelihood Exercise for Analysing Resilience (CLEAR)”. This is an analytical approach developed by WFP to better understand how livelihoods are vulnerable to the climate variability (such as shifting rainfall patterns, rising temperatures etc). The approach will guide better agriculture adaptation measures and creates a foundation for livelihood zone specific climate advisory services.

#### 5. COVID-19 Response

WFP supports 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 is covering support to livelihoods and 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.

#### 5. Impact

Through a series of 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.

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