



Food and Agriculture  
Organization of the  
United Nations



# COUNTRY PROGRAMMING FRAMEWORK BHUTAN (2024 – 2028)



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Priorities for the Technical Cooperation and Partnership between the Royal Government of Bhutan (RGoB) and the Food and Agriculture Organization of the United Nations (UNFAO)

Food and Agriculture Organization of the United Nations

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# ACRONYMS

AMC	Agriculture Machinery Center
BFDA	Bhutan Food and Drug Authority
BE	Better Environment
BL	Better Life
BLDCL	Bhutan Livestock Development Corporation Limited
BN	Better Nutrition
BP	Better Production
DAMC	Department of Agricultural Marketing & Cooperatives
DoA	Department of Agriculture
DoL	Department of Livestock
EU	European Union
CCA	Common Country Analysis
CPF	Country Programming Framework
CSO	Civil Society Organization
FAO	Food and Agriculture Organization of the United Nations
FCBL	Food Corporation of Bhutan Limited
FDI	Foreign Direct Investment
FMCL	Farm Machinery Corporation Limited
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GNH	Gross National Happiness
HiHi	Hand-In-Hand Initiatives
IFAD	International Fund for Agricultural Development
JICA	Japan International Cooperation Agency
JSC	Joint Steering Committee
JWP	Joint Work Plan
LG	Local Government
MoAL	Ministry of Agriculture and Livestock
MoENR	Ministry of Energy and Natural Resources
MoESD	Ministry of Education and Skills Development
MoF	Ministry of Finance
MoH	Ministry of Health
MoICE	Ministry of Industry, Commerce and Employment
NBC	National Biodiversity Centre
NAPA	National Adaptation Programme of Action
NCHM	National Centre for Hydrology and Meteorology
NDC	Nationally Determined Contributions
SDGs	Sustainable Development Goals
RGoB	Royal Government of Bhutan
SoE	State Owned Enterprise
SSTC	South-South and triangular cooperation
TCP	Technical Cooperation Programme
EU-TAAS	European Union Technical Assistance for Agrifood Systems (EU-TAAS)
WB	World Bank
WFP	World Food Programme
UNDP	United Nations Development Programme
UNSDCF	United Nations Sustainable Development Cooperation Framework

# 1. INTRODUCTION

The implementation of the previous Country Programming Framework (CPF), covering the period between 2019 and 2023 concluded in 2023. It focused on the following four priority areas aligning to that of government priorities, the FAO in alignment with UNSDPF, 2019-2023:

- Strategic direction for agriculture development and leadership strengthened, through evidence-based policy, planning, and investment approach.
- Transformation of the agriculture sector towards a value chain-based and market-oriented sustainable management system to enhance employment and income of rural farmers.
- Food self-sufficiency and nutrition security.
- Carbon neutral, climate and disaster resilient sector and farming communities.

Emanating from the One UN agenda and following the UN 2022 Common Country Analysis (CCA), the UN Sustainable Development Cooperation Framework (UNSDCF)-2024-2028 for Bhutan is based on an inclusive process of prioritization amongst UN resident and non-resident agencies with Ministry of Finance and the Office of Cabinet Affairs and Strategic Coordination (OCASC), Cabinet Secretary of the Royal Government of Bhutan. The UNSDCF (2024-2028) identifies four jointly agreed strategic priorities along with the outcome statements which were peer-reviewed by UN Regional PSG and jointly validated by government & CSO partners in Bhutan.

Complying with the One UN agenda and following the UN Common Country Analysis (CCA), the FAO's CPF (2024-2028) for Bhutan is fully aligned with the UNSDCF. It has been developed, taking into account the strategic alignment with a) the draft 13th Five-Year-Plan (FYP) 2023 – 2028 of relevant RGoB partners; b) FAO's Regional Priorities; c) FAO's Corporate Strategic Objectives; d) the Sustainable Development Goals (SDGs); and d) UNSDCF. The Outcomes of UNSDCF are borrowed, word-to-word, and captured in Bhutan's new CPF, demonstrating the intrinsic links between the two documents.

The new CPF is designed to guide and facilitate FAO's partnership with the Royal Government of Bhutan (RGoB), based on FAO's thematic and technical comparative advantage and competency to deliver, during the five-year plan period from 2024 to 2028 of the RGoB and sets out four priority areas as follows:

**CPF Priority area 1:** Sustainable agrifood systems transformation: accelerating investment, entrepreneurship, product development, and employment in high-value agrifood value chains for international markets including through the sustainable use of natural resources.

**CPF Priority area 2:** Food Security, Safety, and nutrition-sensitive and climate-smart agriculture.

**CPF priority area 3:** Sustainable natural resources management, climate change mitigation and adaptation measures, and disaster risk management and preparedness.

**CPF Priority area 4:** Evidence-based agrifood systems planning and programming at national and local levels.

This CPF was prepared following an inclusive, transparent, and iterative process of consultations and agreements with key agencies, both at central and decentralized levels. These included the consultations engaging the Department of Agriculture (DoA), Department of Livestock (DoL), Department of Agricultural Marketing and Cooperatives (DAMC), the National Biodiversity Centre (NBC), Agriculture Machinery Center (AMC) within MoAL, Ministry of Energy and Natural Resources (MoENR), National Centre for Hydrology and Metrology (NCHM); the Food Corporation of Bhutan Limited (FCBL); Bhutan Livestock Development Corporation Limited (BLDCL); the Farm Machinery Corporation Limited (FMCL); the Horticulture Association of Bhutan; Tarayana Foundation; and international agencies including WFP, WWF, UNDP, UN-RCO, WB, and JICA. The consultations were based on a review of relevant national policies and development priorities of relevant agriculture, livestock, food systems, environment and natural resources, and climate change adaptation and mitigation.

The COP 28 UAE Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action (2023) identified the need to Scale up adaptation and resilience activities; Promote food security and nutrition; Support workers in agriculture and food systems; Strengthen the integrated management of water in agriculture and food systems; and maximize the climate and environmental benefits. The CPF priority areas and outputs align with this declaration, to which Bhutan is a signatory<sup>1</sup>.

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<sup>1</sup> <https://www.cop28.com/en/food-and-agriculture>

## 2. COUNTRY CONTEXT ANALYSIS

Bhutan is highly susceptible to external and sectorial shocks, principally due to the country's difficult terrain, remoteness, fragile mountain ecosystems, and its dependence largely on climate-sensitive agriculture and natural resource-based economy. The agriculture, livestock and forestry sector saw a negative growth rate of 1.5% in 2022 compared to 4 percent in 2020 and to 1.42 percent in 2021, attributable mainly to decrease to crop production<sup>2</sup>. Its contribution to GDP also decreased from 15.79 percent in 2021 to 14.67 percent in 2022.

As a landlocked country, trade and transit is highly dependent on India. The economy of Bhutan suffered serious setbacks from the COVID-19 pandemic and faced inflationary pressures during 2021 and 2022, which were further compounded by negative effects on 5Fs-food, feed, fuel, fertilizer, and finance due to the Russia-Ukraine war. The sector remains highly sensitive to vulnerabilities due to erratic monsoon and the quantity of rainfall. Rising temperatures and unpredictable rainfall have caused a decline in crop production. This is primarily due to reduced access to agricultural water and crop damage from severe occurrences such as flash floods, windstorms, and outbreaks of pests and diseases.

Limited resource base and precarious socio-economic status, including labour shortages; poor grid and road connectivity; unstable dryland agriculture; crop disease and low-yielding seeds; and increased risk and exposure to drought, unseasonal precipitation, and wind events are major factors contributing to the low adaptive capacity of communities. The impact gets elevated due to the dependence of Bhutan's agriculture on largely rain-fed crops in the dry land. About 70 percent of dry arable land is rain-fed due to inadequate irrigation facilities. With increasing variability and unpredictability of rainfall patterns, rain-fed agriculture faces heightened challenges, resulting in crop failures and reduced agricultural productivity.

All these elements pose significant challenges, especially for the most vulnerable groups in society.

The main constraints faced in the agriculture sector are climate change-induced water shortage, lack of farm labour, wildlife predation of crops, pests, and disease outbreaks, poor soil quality, further exacerbated by surface erosion.

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<sup>2</sup> Statistical year of Bhutan, 2023 and National Accounts, 2023

The 2022 Common Country Analysis (CCA), a collaborative assessment by UN agencies, including FAO, and one that served as the basis for the development of UNSDCF highlights the following:

- As of 2022, estimated poverty headcount ratio under international poverty line of USD 1.90 per day is 1.5 percent, substantially lower than corresponding figure for developing countries as a group (14.8 percent)<sup>3</sup>. However, poverty headcount ratio as per national poverty line was about 8 percent in 2019 and increased to 12.4 percent in 2022<sup>4</sup>. The Poverty rate in rural areas reached 17.5 percent while it remains at 4.2 percent in urban areas.
- About 12 percent of the population that remain under the recently revised poverty line of BTN 6,204<sup>5</sup> per person per month in 2022, corresponding to approximately USD 78 per person per month.
- Bhutan's economy recorded a growth of 5.21 percent in 2022, compared to 4.42 percent growth in 2021<sup>6</sup> after hitting all-time low of negative 10 percent in 2020<sup>7</sup> due to COVID.
- Six vulnerable groups- women and girls, children and adolescents, youth, senior citizens, persons with disabilities, and LGBTIQ- face a lack of social inclusion and consequent loss of opportunities; and are likely to be impoverished, among other issues<sup>8</sup>
- Water resources area most likely to be severely affected by changes in climate conditions with far-reaching implications for hydropower, agriculture-based economy, the livelihoods of people dependent upon nature and to biodiversity, ecosystem services and overall societal well-being.
- Increasing pressure on the natural environment and its resources present the critical challenge of managing co-benefits and trade-offs, balancing conservation with development.

The agriculture sector, which is critical for rural livelihoods in Bhutan and comprises almost half of the labour force, is challenged with low growth and returns. Productivity is constrained by a combination of factors, including declining cultivable land, increasing human-wildlife conflict, population drifts, abandonment of farmland and houses, farm labour shortages and the increasing costs of farming. With less than three percent of Bhutan's surface classified as arable land, the average landholding is 3.70 acres. In 2019, agricultural landholdings covered a total area of approximately 250 000 acres, of which over 62 000 acres of land were left fallow due to poor access to irrigation, crop damage and labour shortages.

3 UNDP (2021), Human Development Report 2021/22.

4 National Statistical Bureau, Bhutan Poverty Analysis Report 2022. Also See, United Nations Common Country Analysis for Bhutan (2022) (pp. 28). It is to be noted that an upward revision of the poverty line was made in 2022, and hence not directly comparable to previous figures.

5 National Statistical Bureau, Poverty Mapping in Bhutan, Small Area Estimation, 2023

6 National Accounts Statistics, 2023

7 National Accounts Statistics, 2022

8 Also see GNHCS, Bhutan Vulnerability Baseline Assessment, 2016

Employment in the agriculture sector is mainly in small-scale subsistence farming, with low productivity and often limited processing and value addition. Due to drudgery associated with rural farming activities, the high risks involved in farming such as crop failures due to climate change impacts and depredation by wildlife, the lack of modern facilities in rural areas, and better income opportunities elsewhere with the growth of other sectors, there is high out-migration of mostly able-bodied men. As a result, feminization of agriculture has reportedly increased with higher proportion of elderly and people with disabilities facing limitation in adopting new farming technologies. This has implications for gender equality and women's empowerment, as well as leaving no one behind. Poverty and inequality remain high in rural areas despite progress made at the national level.



# 3. THE FAO SUPPORT

## 3.1 Strategic Priorities of Bhutan for transforming its food systems

The CCA outlined four key opportunities towards realizing Bhutan’s vision for sustainable development and to the achievement of the 2030 Agenda and the SDGs:

- Transformation towards more equitable, diversified, green and sustainable economic growth.
- Accelerating more inclusive and equitable human development.
- Protecting the environment and building more resilient systems and communities.
- Ensuring more inclusive and efficient governance.

The assessment on transformative and green solutions for Bhutan’s food systems and local economy identified eight pathways including:

1. Securing Production through sustainable agriculture practices and strengthening live-stock production and management systems.
2. Enhancing Value, Standards, and Markets through improving infrastructure, technology, and access to finance and Enhance coordination and collaboration among stakeholders for improved productivity, competitiveness, and market access.
3. Unleashing Digital Power through food-system dashboard for real-time information on food production, distribution, and consumption.
4. Securing Financing and Investments through the development of financial products that meet the needs of farmers and agribusinesses.
5. Investing in Science and Technology through research and development for improved productivity, reduce post-harvest losses, and enhance value addition.
6. Boosting Nutrition Positive Initiatives through dietary education, awareness-raising, and promotion of traditional foods.
7. Adopting a Nature-First Approach through sustainable agriculture practices and strengthened disaster risk reduction measures.
8. Building Capacity and Partnerships through strengthened knowledge and skills of extension systems and collaboration among stakeholders.

The draft 13th FYP of Bhutan projected investments of BTN 750 billion (USD 9 billion), which is about three times higher than 12th FYP budget. Grants and external concessional loans will remain critical for financing Bhutan’s Gross National Happiness (GNH) vision, as well as the UN 2030 Agenda. Over 50 percent of investment needs for the 13th FYP will need to be mobilized from sources beyond grants and public financing. Bhutan had limited success in attracting Foreign Direct Investment (FDIs), with annual inflow of FDI below one percent of GDP for past two plan periods. The full potential of Bhutan’s private sector remains untapped, and there is a need

for enhancements in accessing credit for micro, small, and medium enterprises (MSMEs). Nevertheless, overcoming challenges such as the underdeveloped domestic capital markets and limited access to international capital markets is crucial.

## 3.2. UNSDCF Theory of Change and Strategic Priorities

UNSDCF Theory of Change outlines the pathway that will enable the country to accelerate actions leading towards the desired vision where “all people in Bhutan, especially the most vulnerable, contribute to and benefit from sustainable development, leading to the achievement of the SDGs and to a healthy, prosperous and secure country”. The UNSDCF is designed to directly respond to the national development agenda of the Royal Government of Bhutan, as outlined in the draft 13th FYP, towards the advancement of the 2030 Agenda.

The 2030 Agenda for Sustainable Development and the SDGs call for transformative shifts, integrated approaches and solutions to structural barriers to sustainable development and it recognizes the fundamental role played by sustainable agriculture in connecting people, planet, and prosperity. Food security is an integral aspect of eradicating extreme poverty, tackling climate challenges, building community resilience, sustainable management and conservation of natural resources and biodiversity. Achieving the 2030 Agenda, therefore, requires transformations of agrifood systems.

## 3.3. CPF priorities and intended development results

The outcomes of the CPF are directed by FAO’s corporate Strategic Framework for 2022–2031, which prioritizes the 2030 Agenda and utilizes the Sustainable Development Goals (SDGs) and indicators to sharpen focus and monitor advancements. Guided mainly by SDG 1 (end poverty in all its forms everywhere), SDG 2 (zero hunger, achieve food security and improved nutrition and promote sustainable agriculture), and SDG 10 (reduce inequalities), FAO’s contributions to agrifood systems transformation span across all SDGs, organized along FAO’s Programme Priority Areas.

The priorities of the present CPF are aligned with the following specific Programme Priority Areas (PPAs) of the Strategic Framework: BP1-innovation for sustainable agriculture, BP3-One health), BP4-small-scale producers’ equitable access to resources), BP5-digital agriculture, BE1-climate change mitigating and adapted agrifood systems, BE3-Biodiversity and ecosystem services for food and agriculture and BL4-Resilient agrifood systems, BL5-Hand-in-Hand Initiative /Scaling up investment. Linkages between UNSDCF, the Four Betters, FAO’s programme priority areas, and draft RGOB’s 13 FYP are presented in Annex 2. It is in the context of this linkage that the FAO’s CPF for Bhutan has been developed.

FAO’s country programme draws upon the Programme Priority Areas (PPAs) under the Four Betters to leverage the required technical expertise in the context of the Regional Priorities.

The four Regional Priorities for Asia and the Pacific region will implement actions to achieve the Four Betters:

- Regional Priority One: Transforming agrifood systems for sustainable production and healthy diets.
- Regional Priority Two: Accelerating sustainable natural resources management for biodiversity conservation and climate action.
- Regional Priority Three: Supporting inclusive rural transformation for sustainable agrifood systems and equitable rural societies.
- Regional Priority Four: Building sustainable and resilient agrifood systems in the Pacific Small Island Developing States (SIDS).

### 3.4. CPF Priority Areas (PA) and Outputs

UNSDCF /CPF outcome 1: By 2028, Bhutan has sustainable and diversified economic growth, decent employment and livelihoods and shared prosperity

CPF Priority area 1: Sustainable agrifood systems transformation

The draft 13th FYP of Bhutan aims to rapidly accelerate economic growth through enhanced productivity and diversified markets and products, whilst not compromising social, cultural, and environmental considerations for sustainable development. The plan targets to increase Gross Domestic Product (GDP) from USD 2.5 billion to USD 5 billion; increase the income of the poorest 40 percent of the population by 400 percent by the year 2029; and create full employment (97.5 percent) by 2027. Key strategies include diversification of goods, services, industries, trading partners, and markets and making its economy more resilient to external shocks. Investments in key infrastructure, future-proof skills development, new technologies and innovations to improve production processes are key areas of interventions to accelerate economic growth and improve people's lives.

The FAO's CPF 2024-2028 defines the following four outputs under CPF Priority Area One and contributes towards enabling the creation of jobs, increasing investments, improving productivity, and increasing contributions to GDP from agriculture, livestock, and natural resources.

#### Output 1.1: Productivity of livestock and crops for high value agrifood value chains enhanced

Through this output, the FAO will support the commercialization of high-value agriculture and livestock commodities including interventions to bring about an increase in productivity of livestock breed, improved seeds, planting materials of agriculture, and livestock commodities prioritized in the draft 13 FYP and programmes. The FAO will coordinate support to enable the delivery of this output through FAO's regional programme on Crop productivity; the GEF financing on Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness; country TCP projects and other aspirational initiatives and programmes.

### **Output 1.2: Innovative and inclusive policies, technologies and investment platforms for gender-responsive and youth-friendly value-chains developed**

Under this output, the FAO's support will include the development of investment promotion strategies including assessment of credit and insurance products and services, consideration of the trade-offs between different diversification options such as intensification versus sustainability. This can be developed through technical assistance, linkages, capacity development and exposure opportunities. Targeted technical assistance will be provided to facilitate investments towards agriculture and food system transformation. These will include facilitating investments into increasing internal commerce; building value chain and increasing export volumes; adopting technology; optimizing resource utilization for better returns and sustainability; water, and energy efficiency; and sustainable land management. FAO will coordinate support to enable the delivery of this output through FAO'S evidence-based, country-owned and led programs such as Hand-in-Hand (HiHi) initiative; Sustainable Agrifood Systems Intelligence (SASI) and other aspirational initiatives.

### **Output 1.3: Regional and international market standards, branding, certification and accreditation for agriculture and livestock commodities enhanced**

Through this output, FAO support will facilitate the promotion of commercially viable and market-oriented approaches, along with best practices to explore new markets. This will involve aligning trade, food safety, sanitary and phytosanitary standards, as well as enhancing value chain development for improved market access and the promotion of the Brand Bhutan, fostering transparency, and ensuring equitable participation in global markets and international trade.

Interventions will encompass enhancing the capacity of producers, regulators, policy makers, youth, and women entrepreneurs to comply with global standards for sustainable food production, processing, and marketing. These efforts will also facilitate certification and establish logistics hubs for various food-related services, including collection, storage, value addition, distribution, standardization, and laboratory services. Furthermore, initiatives will involve linking with Certifying Bodies (CBs), legalizing Geographical Indication (GI), and promoting Geographical Indications for Environment and Sustainability (GIES). FAO will coordinate support for delivering these outcomes through initiatives such as HiHi, the Rural Finance program, focusing on financial inclusion for smallholder farmers, and other aspirational initiatives.

### **Output 1.4: Innovative farm mechanization, production technologies, and support services strengthened**

Through FAO's approach of four accelerators of technology, innovation, including digital, big data, and complements (human capital, governance and institutions) support agrifood systems transformation. This output will support innovative ways of pursuing commercial Agri-tech farms, gender-responsive farm mechanization and adoption of technologies. Interventions will include support services and mechanisms for mechanization and automation in agriculture production, processing, and marketing. FAO will coordinate support to enable the delivery of this

output through the GEF financing on Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness; European Union Technical Assistance for Agrifood Systems (EU-TAAS) project; HiHi initiative; country TCPs; Rural Finance program and other aspirational initiatives.

**UNSDCF/CPF Outcome 2: By 2028, people in Bhutan benefit from strengthened quality, inclusive and lifelong social services and practices**

**CPF Priority Area 2: Food security, safety, and nutrition-sensitive agriculture**

The UNSDCF recognizes that, while the proportion of households with food insufficiency is reported to be less than two percent (national survey)<sup>9</sup>, pattern of household expenditures on food items shows persistent issues of nutritional inadequacy, especially among rural households. It is also reported that about 45 percent of the Bhutanese population struggles to meet healthy dietary requirements<sup>10</sup>. The limited area under agriculture and the decrease in volume of production over the past 15 years, have led to increased food import dependency<sup>11</sup>. To enable realizing the UNSDCF outcome two, the UN system identifies a range of strategic contributions and partnerships across health, food security and nutrition, water and sanitation, education and learning, protection of women and children.

The FAO's CPF defines the following three outputs under this CPF priority area, as part of UNSDCF outcome two and contributes towards reducing full dependence on food imports for healthy dietary requirements and in achieving overall health and well-being of all Bhutanese people.

### **Output 2.1: Food security and nutrition through increased self-sufficiency in essential food commodities enhanced.**

To enable sufficient, safe and nutritious food that meets dietary requirements and food preferences for active and healthy life, this output will include interventions that will enhance food production for domestic consumption. It will support Bhutan to achieve a certain level of self-sufficiency in rice, maize, wheat, essential vegetables (Chilli, tomato, onion, beans, cauliflower), eggs and chicken, pork, and fish.

Interventions are development of climate-resilient irrigation infrastructure, sustainable land management, farm mechanization, targeted and pro-poor input subsidies, safety nets such as insurance, human-wildlife conflict management, water and energy-efficient technologies and research and production support services. FAO will coordinate support to enable the delivery of this output through the GEF financed Capacity Building Initiative for Transparency (CBIT);

<sup>9</sup> National Statistics Bureau, *Bhutan Living Standards Survey 2022. Assessment of food security situation in Bhutan is limited by insufficiency of comparable data, including that of the headline indicator of SDG2 - prevalence of undernourishment (percent of population)*.

<sup>10</sup> United Nations Common Country Analysis for Bhutan (2022) (pp. 56), quoting FAO (2020) *State of Food Security and Nutrition in the World*,

<sup>11</sup> *Ibid.* Total arable land is merely 7percent of the total area, and only 3percent is brought under cultivation; and is highly prone to very severe soil erosion.

FAO's global programme on fish value chains; Rural finance programme; the GEF financing on Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness; GCF financing on Enhancing Climate Resilience of Water Resources and Water Sector in Bhutan; FAO's One Country One Priority Product (OCOP); country TCPs and the Green Cities initiative on building back better.

### **Output 2.2: Safe and nutrition-sensitive food systems supported through dietary diversification**

This output will enable the provision of information, empowerment and incentivizing the creation of a conducive environment for healthy diets, nutritious consumption patterns through behavioural change and dietary diversification. Interventions will include advocacy and awareness raising on the benefits of healthy diets and supportive policies to drive behavioural change and promote nutritious food and increasing access to healthy diets. Support will be provided for the Million Fruit Tree Programme, commercial production of potatoes, enhanced pork production, and other nutrition-rich food commodities together with the facilitation of standardization and certification. The FAO will coordinate support to enable the delivery of this output through the GEF financing on Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness; EU TA and the Pandemic fund to boost local and global health security.

### **Output 2.3: Gender-responsive, inclusive technologies and practices promoted**

Towards furthering gender equality and women's empowerment, this output will support gender-responsive and inclusive approaches that empower participation by women, youth, and vulnerable groups in economic activities, local governance, and overall decision-making.

Interventions supported through this output will include mapping vulnerable groups and devising targeted incentives and small-scale farm input support; energy-efficient and gender-friendly farm mechanization such as mini-tillers, chaff cutters, irrigation and climate control automation, automatic feeding, and milking devices in collaboration with designated Gender Focal Persons within partner agencies, to enhance gender visibility in projects and programmes.

FAO will also leverage on the existing network of the National Commission for Women and Children (NCWC) in promoting FAO's efforts toward gender equality in its interventions.

**UNSDCF/ CPF outcome 3: By 2028, Bhutan's environment remains sustainably managed and its people are more resilient to disaster risks and climate change**

**CPF priority area 3: Sustainable natural resources management, climate mitigation and adaptation measures, and disaster risk management and preparedness**

Bhutan has committed to maintaining carbon neutrality status and continues to prioritise its environmental agenda as a core component of the Gross National Happiness development

approach. The country remains highly vulnerable to the impacts of climate change. Further, growing demands for water, energy, and food is increasing pressure on Bhutan's ecosystem and resources in the face of rapid urbanisation, industrialisation process and increasing population density in urban areas.

Outcome three of the UNSDCF is aligned to support the commitment of Bhutan to the protection and sustainable management of natural resources; biodiversity and ecosystems; building institutional, community and household resilience to disaster risks and climate change; and Bhutan's carbon neutrality policy.

Under this outcome, the CPF defines the following three outputs under CPF Priority Area three and contribute towards sustainable management of natural resources for economic and social benefits; maintenance and dissemination of technology-based geohazard and hydromet information and services; establishment and strengthening of national emergency management and contingency plan; facilitation of essential food, medical items and other essentials; and reduction on losses and damages attributed to disasters. It will also support the implementation of Bhutan's Low Emission Development Strategy (LEDS) for Food Security, 2021. FAO will coordinate support to enable the delivery of this output through the GEF financed CBIT; EU TA; GCF financing on Enhancing Climate Resilience of Water Resources and Water Sector in Bhutan and GEF financing on Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness among others.

### **Output 3.1: Natural resources and critical ecosystems are better protected**

The 2022 Common Country Analysis assessed that water resources are most likely to be severely affected by changes in climatic conditions, impacting the livelihoods of people dependent upon nature and to its biodiversity, and ecosystem services.

Through this output, the CPF will support improving the long-term sustainable water resources and natural ecosystems in line with the water road map and strategic plan for water resources management. Interventions will include water resources inventory, water master plan, basin management plan and nature-based solutions, and innovative mechanisms such as payment for ecosystem services and urban greening initiatives. FAO will coordinate support to enable the delivery of this output through the GCF financing on Enhancing Climate Resilience of Water Resources and Water Sector in Bhutan and the programme on building back better of FAO's Green Cities initiative.

### **Output 3.2: Rational and sustainable management of land, water, forests and biodiversity strengthened**

Bhutan is the world's first net carbon-negative country. Stress on the preservation of natural resources is increasing with growing demand in extractive industries as well as due to the country's vulnerabilities to climate change and to support enhancing Bhutan's ecosystem integrity, biodiversity, and sustainability of its natural resources and its carbon-neutral policy.

This output will support green and circular economy initiatives while exploring alternative methods to sustain water availability. It also promotes gender-responsive, climate-resilient practices such as climate and disaster-resilient water infrastructure, establishing green water-based industries, and utilizing Natural and Underutilized Species (NUS) for diverse local purposes like food, medicine, and construction. The FAO will coordinate support to enable the delivery of this output through EU technical assistance and programme on building back better of FAO's Green Cities initiative.

**Output 3.3: Community resilience and capacities for disaster risk reduction, preparedness, and management systems strengthened**

Adapting to vulnerabilities related to natural and man-made disasters are challenged by limited resources and capacities. Economic vulnerabilities continue to challenge the ability to reduce vulnerabilities due to climate-change impacts. To support safeguarding the economy and the security of the people, this output will support systems and capacities that enhance climate adaptation and disaster risk reduction efforts, including preparedness and response. Interventions under this output will include strengthening the preparedness of relevant stakeholders and systems to manage livestock, crops, forest, pests, diseases, and pandemics.

These efforts encompass enhancing animal health services, revitalizing ethno-veterinary practices, and eradicating diseases such as rabies and Bovine Brucellosis. Support in strengthening laboratory infrastructure, diagnostic facilities, veterinary epidemiology services, and promoting farm-level biosecurity standards. Additionally, support to build institutional and technical capacity in Agro-met products and services, establish innovative index-based micro-insurance, and advocate for heightened investment in climate change adaptation and mitigation within the food and agricultural sectors.

**UNSDCF/CPF outcome 4: By 2028, Bhutan has more inclusive, transparent and accountable governance and rule of law**

**CPF Priority Area 4: Evidence-based agrifood systems**

The UNSDCF outcome four aligns to support RGOB's transformational approach to improve service delivery and enhance social inclusion and equity, including meaningful engagement of women, youth, and other vulnerable groups and a people-centric and anticipatory governance.

The CPF defines the following two outputs under CPF Priority Area Four that will contribute towards strengthening an operationalized comprehensive, predictive data and analytics system; vital statistics system in line with international standards; Digital Citizen Engagement Index; and enabling representation of women in decision making. In general, this priority area will support more efficient and effective public sector and services at all levels. The focus will be on digitalization, capacities for transparency, accountability, and a conducive environment for citizens to be actively engaged in and contribute to development.

#### **Output 4.1: Applied research for inclusive and evidence-based planning, budgeting, service delivery, monitoring and evaluation strengthened**

It is essential to prioritize enhanced investments in agricultural research and extension services. This emphasis is crucial for generating evidence-based analysis and strategic insights, fostering improvements in agrifood systems, and addressing emerging issues through inclusive and gender-responsive approaches. This output will support research and development initiatives relating to technology adoption, engaging agriculture and livestock productivity, and innovation. Interventions will include support for conducting commodity-based research, plant protection, soil fertility management, innovative production interventions, breed and varietal improvements, resource efficiency, technology generation and adoption, waste reduction, and low-carbon approaches. The FAO will coordinate support to enable the delivery of this output through GEF financed CBIT and Biannual Transparency Report (BTR)/Nat Com initiative; the SASI and Country TCPs.

#### **Output 4.2: Digitalization and technology-driven approaches for service delivery, economic diversification, e-governance and learning enabled**

This Output will support the implementation of the National Strategy for Digital Transformation, including a National Data Governance Framework, and to facilitate a fit-for-purpose, adaptive, and results-oriented public sector that maximizes the potential of technology and innovation. It will support innovation and promote inclusive, secure digital governance within the public sector, aligning with international standards. It will be achieved through e-governance initiatives and by reinforcing governance structures and providing strategic direction for agrifood systems. Interventions include strengthening digital platforms for improved marketing, such as commodity exchanges, the Agricultural Market Information System (AMIS), e-commerce platforms, and digital databases. Additionally, bilingual mobile apps (Dzongkha/English) will be developed to provide market updates. Efforts will focus on enhancing operational capacity in information and communication technology (ICT), implementing market-responsive production planning and post-harvest management strategies, and developing evidence-based, gender-responsive plans and financing mechanisms aligned with the needs of the agrifood systems. Furthermore, improve digital public service delivery mechanisms, establish a dashboard information system for streamlining input supply, production status, disease outbreaks, and market linkage, and strengthen Farmer Groups, Cooperatives, and related enterprises. Support may be provided to non-governmental and civil society organizations or relevant private entities as agreed within the framework of individual plans and projects

FAO will coordinate support to enable the delivery of this output through the Digital Village Initiative (DVI), promoting digitalization to enable innovations and technologies, services and solutions. The GEF financed BTR/Nat Com initiative and Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness; EU technical assistance and country TCPs will support these interventions.



# 4. IMPLEMENTATION

## 4.1. Governance and Joint Work Plan

The CPF implementation aligns with the relevant governance arrangements designed and agreed in the context of the UNSDCF, which includes Joint Steering Committee (JSC) co-chaired by the Secretary of the Ministry of Finance and the UN Resident Coordinator. The committee will provide strategic direction and alignment with national development priorities and other relevant regionally and internationally agreed developmental agenda through annual reviews and monitoring of UNSDCF outcomes. The JSC will be co-chaired by senior government officials and the designated head of the UN agencies. They are responsible for developing, implementing, monitoring, and reporting on their Joint Work Plan (JWP). Furthermore, the FAO Country Team will maintain alignment between the CPF, the UNSDCF, and evolving national priorities through continuous dialogue with the Government and development partners.

FAO will build upon existing and potential partnerships to advance the priorities identified in the CPF to enable transformational and impact-oriented efforts towards green, sustainable and climate-resilient development, reflecting the priorities identified in the UNSDCF and priorities of Bhutan. A JWP will be finalized to support the realization of the UNSDCF outcomes through the identified CPF priority areas and outputs. The FAO Country Representation shall report to the Joint Results Group on the achievements of these CPF Priority Areas and outputs. This is part of progress reporting towards realization of the UNSDCF outcomes and RGOB development priorities based on the CPF Results and Resources Matrix (Annex 1). While the outcomes remain fixed and guided by UNSDCF, the outputs may be updated depending on the emerging situations and change in priorities of the RGOB and partner agencies.

Depending on the nature of projects and programmes, the FAO will encourage Operational Partner Implementation Modality (OPIM) as means of implementation and fund transfer to the implementing partners.

## 4.2. Partnership

The CPF will be implemented in the context of UNSDCF, and as reflected in the CPF Results and Resources Matrix. This is intended to pool capacities, catalyse resources, and promote investments to transform agrifood systems in delivering healthy, safe, and affordable food for all. In this context, FAO will continuously invest in fostering partnerships with central and local government agencies, civil society organizations, the private sector, media, development partners and other UN agencies including South-South and triangular cooperation (SSTC) activities of relevant partners on direct exchange of knowledge, experiences, skills, resources and technical know-how among developing countries.

To effectively deliver the CPF commitments, FAO will draw on regional and global programmes of the FAO, and leverage on the technical, functional, and operational expertise of relevant UN agencies through the UNSDCF coordination framework. In particular, partnerships and collaboration will be pursued with the following potential partner agencies through JWP.

**Table 1. Partnership mapping**

CPF Outputs	UNDP	UNICEF	WFP	World Bank	WHO	IFAD	UNFPA	UN-ESCAP
<b>CPF Output 1.1:</b> Productivity of livestock and crops for high-value agrifood value chains enhanced	X		X	X		X		
<b>CPF Output 1.2:</b> Innovative and inclusive policies, technologies and investment platforms for gender-responsive and youth-friendly value-chains developed	X		X			X		X
<b>CPF Output 1.3:</b> Regional and international market standards, branding, certification and accreditation for agriculture and livestock commodities enhanced	X			X	X	X		X
<b>CPF Output 1.4:</b> Innovative farm mechanization, production technologies, and support services strengthened	X					X		
<b>CPF Output 2.1:</b> Food security and nutrition through increased self-sufficiency in essential food commodities enhanced	X	X	X	X	X	X	X	
<b>CPF Output 2.2:</b> Safe and nutrition-sensitive food systems supported through dietary diversification		X	X		X	X	X	
<b>CPF Output 2.3:</b> Gender-responsive, inclusive technologies and practices promoted	X	X	X	X	X	X	X	X
<b>CPF Output 3.1:</b> Natural resources and critical ecosystems are better protected	X			X		X		
<b>CPF Output 3.2:</b> Rational and sustainable management of land, water, forests and biodiversity strengthened	X	X		X		X		
<b>CPF Output 3.3:</b> Community resilience and capacities for disaster risk reduction, preparedness, and management systems strengthened	X	X	X	X		X	X	X

CPF Outputs	UNDP	UNICEF	WFP	World Bank	WHO	IFAD	UNFPA	UN-ESCAP
<b>CPF Output 4.1:</b> Applied research for inclusive and evidence-based planning, budgeting, service delivery, monitoring, and evaluation strengthened	X	X		X		X	X	X
<b>CPF Output 4.2:</b> Digitalization and technology-driven approaches for service delivery, economic diversification, e-governance and learning enabled	X	X		X		X	X	X

### 4.3. Financing outlook and funding opportunities

The UNSDCF Funding and Financing Framework is expected to comprise (i) a multiyear Funding Framework covering the entire duration of the UNSDCF; and (ii) annualized Funding Frameworks, continuously monitored and updated through annual JWP. It is anticipated that the overall required five-year funding for UNSDCF will be over USD 200 million.

The estimated resource requirement for the implementation of the CPF 2024-2028 is USD 82.59 million over five years, of which USD 2.50 million is expected through FAO TCP funding. About USD 6.80 million is already available, mainly through GEF Biannual transparency report/Nat Com; Pandemic Fund; EU TA project; GEF CBIT project; and the Implementation of One Country One Priority Product Initiative. The remaining USD 63.29 million is envisaged to be mobilized through extra-budgetary sources including the proposed FAO/GCF project and FAO regional and global programmes/projects.

**Table 2. The CPF resource allocation by priority areas (in USD million)**

CPF PAs	Year 1	Year 2	Year 3	Year 4	Year 5	PA Total	percent allocation
PA 1	0.45	6.20	8.60	8.47	6.01	29.74	36.00
PA 2	0.99	8.01	7.46	7.30	7.30	31.05	37.60
PA 3	0.45	4.05	4.05	3.89	3.89	16.31	19.75
PA 4	0.86	1.47	1.11	1.03	1.03	5.49	6.65
Total	2.74	19.72	21.22	20.69	18.22	82.59	100.00

## 5. MONITORING, EVALUATION AND REPORTING

FAO will actively participate in relevant Results Group(s) of Cooperation Framework strategic priorities as well as in the M&E groups. As a contributing UN entity, FAO will monitor and report on progress towards Cooperation Framework results and provide periodic inputs to update the UN CCA for adaptive programming. With support from the RC and the M&E group, FAO will use the online platform UN INFO to plan, monitor, and report results delivered by FAO individually and jointly with other UN entities. FAO may participate in the Cooperation Framework evaluations as necessary and in consultation with its Office of Evaluation (OED).

## Annex 1: CPF Results and Resources Matrix

<b>National development priority:</b> Economic Development <b>Outcome 1:</b> Enhanced productivity and diversified products and markets driving economic growth <ul style="list-style-type: none"> <li>Contribute 7-8 percent annual growth rate to GDP (Nu 30 billion in 2021 to Nu 50 billion in 2029 through commercializing high-value agriculture and livestock commodities and technological interventions.</li> </ul> <b>National SDGs and Targets:</b> SDG 1 (1.4, 1.5); SDG 2 (2.3, 2.4,2.a,); SDG 5 (5.b);SDG 6 (6.4); SDG 9 (9.3); SDG 10 (10.1); SDG 12 (12.2, ); SDG 15 (15.2, 15.8); SDG 17 (17.11, 17.8)								
<b>UNSDCF Strategic Priority 1:</b> Sustainable economic development and diversification and shared prosperity								
Result	Performance Indicators (relevant to FAO -disaggregated)	Baseline (2022)	Target (UNSDCF), 2028	Means of verification	Total resources required, million (USD)	Available Resources (Annual)		
						Year	Regular Budget	Extra budgetary
<b>UNSDCF/CPF Outcome 1:</b> By 2028, Bhutan has sustainable and diversified economic growth, decent employment and livelihoods and shared prosperity	Minimum number of new jobs created annually in the digital economy (1000 annually)	NA	1,000 annually	Labour force survey				
	Foreign Direct Investment amount	Nu 43.62 billion (2022)	Nu 100 billion (2028)	Ministry of Industry, Commerce & Employment - FDI Annual Report				
	Share of existing sectors with growth potential to GDP (construction, forestry, tourism, agriculture, energy)	Forestry:2.58percent Agriculture (crops & livestock): 12.09 percent Forestry: 2.58 percent (2022)	Forestry:5.16percent Agriculture (crops & livestock): 24.18percent (2028)	National Accounts Statistics				
	Contribution to GDP from climate financing and carbon trading (US\$50 Million in 2022 to US\$100 Million)	US\$50 Million (2022)	US\$100 Million (2028)	National Accounts Statistics				
	Percentage in Improvement in productivity (GDP/ labour force)	Nu 476100 (2022)	100 percent or Nu. 952200 (2028)	National Accounts Statistics & Labour Force Survey				
	Existence of adopted and implemented investment promotion regimes in Bhutan	No (2022)	Yes (2028)	Administrative data				

CPF Output [FAO's contribution to UNSDCF]	Geographical focus	Timeline		SDG Targets	PPA	Reg. Priority/ Initiative	Implementing Partner	Total resources required, Million (USD)	Available Resources (Annual)		
		Start	End						Yr	Regular Budget (TCP)	Extra budgetary
<b>CPF Priority Area 1:</b>								29.74	Total	1.25	28.49
<b>Sustainable agrifood systems transformation</b>								0.45	Yr 1	0.25	0.20
								6.20	Yr 2	0.25	5.95
								8.60	Yr 3	0.25	8.35
								8.47	Yr 4	0.25	8.22
								6.01	Yr 5	0.25	5.7
<b>CPF Output 1.1:</b> Productivity of livestock and crops for high-value agrifood value chains enhanced	National	2023	2028	2.1/2.3/2.4 2.5/2.b/2.a 15.2/17.11	BP1	RP 3	RGOB: MoAL, MoF, LGs  Others: Financial Institutions, Private Investors, Corporates				
<b>CPF Output 1.2:</b> Innovative and inclusive policies, technologies and investment platforms for gender-responsive and youth-friendly value-chains developed	National	2023	2028	1.5/2.3/2.4 2.a/5.b/9.3/ 10.1/12.2/17.11	BP1	RP1 RP3	RGOB: MoAL, MoENR, MoF, LGs  Others: Civil society Private				
<b>CPF Output 1.3:</b> Regional and international market standards, branding, certification and accreditation for agriculture and livestock commodities enhanced	National	2023	2028	2.a/2.1/2.3/2.4/ 2.c/3.1/3.d/5.6/ 5.b/5.c/6.4/11.a/ 12.3/15.4/15.8/17.11	BP1 BP3 BP4 BN3 BN4 BL5	RP1 RP3	RGOB: MoAL, MoENR, MoF, MoICE, LGs  Others: Civil society Private				
<b>CPF Output 1.4:</b> Innovative farm mechanization, production technologies, and support services Strengthened	National	2023	2028	2.3/2.a/2.c/17.11	BP1 BP4 BL1 BL2	RP1 RP3	RGOB: MoAL, MoENR, MoF, LGs  Others: Civil society Private SoEs				

**National development priority:** Social development  
**Outcome 1:** More Bhutanese enjoy improved health and well-being.  
**Outcome 2:** More Bhutanese equitably access and benefit from quality and wholesome education and lifelong learning  
**Outcome 3:** Bhutan has an operational shock-responsive, inclusive, and comprehensive social protection system

**National SDGs and Targets:**  
SDG 1 (1.2); SDG 2 (2.1, 2.2, 2.b, 2.C); SDG 3 (3.1, );SDG 12 (12.3)

**UNSDCF Strategic Priority Area 2:** Equitable human development and well-being across the life course

Result	Performance Indicators (disaggregated)	Baseline (Year)	Target (UNSDCF)	Means of verification	Total resources required , million (USD)	Available Resources (Annual)	
						Regular Budget	Extra budgetary
<b>UNSDCF/CPF Outcome 2:</b> By 2028, people in Bhutan benefit from strengthened quality, inclusive and lifelong social services and practices	Health Index (composite indicator) - 83.7 in 2022 to 90 in 2028.	83.7 (2022)	90 (2028)	Annual Health Bulletin			

CPF Output [FAO's contribution to UNSDCF]	Geographical focus	Timeline		SDG Targets	PPA	Reg. Priority/ Initiative	Implementing Partner	Total resources required, Million (USD)	Available Resources (Annual)		
		Start	End						Yr	Regular Budget (TCP)	Extra budgetary
<b>CPF Priority Area 2:</b> Food security, safety, and nutrition-sensitive agriculture SDG 1 (1.2); SDG 2 (2.1, 2.2, 2.b, 2.C); SDG 3 (3.1); SDG 12 (12.3)								31.05	Total	0.50	30.55
								0.9	Yr 1	0.10	0.89
								8.01	Yr 2	0.10	7.91
								7.46	Yr 3	0.10	7.36
								7.30	Yr 4	0.10	7.20
								7.30	Yr 5	0.10	7.20
<b>CPF Output 2.1:</b> Enhanced food security and nutrition through increased self-sufficiency in essential food commod- ities.	National	2023	2028	1.1/1.2/1.3/1.4/ 1.5/2.1/2.2/2.3/ 2.4/6.4/10.1/15.4	BP1 BN1 BN2 BN3 BE4 BL3 BL4	RP1 RP3	RGOB: MoAL, MoENR, MoF, MoH/BFDA, MoIT, BSB, NSB  Others: Civil society Private				
<b>CPF Output 2.2:</b> Safe and nutrition-sen- sitive food systems supported through dietary diversification	National	2023	2028	1.4/1.5/2.1/2.2/2.3 2.4/3.1/6.4	BP1 BP3 BP4 BN2 BN3 BN5 BL3	RP1 RP3	RGOB: MoAL, MoF, MoH  Others: Civil society Private				
<b>CPF Output 2.3:</b> Gender-responsive, inclusive technologies and practices promoted	National	2023	2028	1.2/1.4/2.1/2.3/2.4/ 2.c/3.1/5.6/5.a/5.c/ 6.4/8.5/10.1/12.3/ 15.4	BP4 BE1 BE4 BL2 BL4	RP1 RP3					

<b>National development priority:</b> Security Outcome 1: Safety and security threats and disaster risks to the country, its economy, infrastructure, institutions, and people are mitigated and managed  <b>National SDGs and Targets:</b> SDG 2 (2.5); SDG 3 (3.d); SDG 5 (5.6); SDG 12 (12.3, 12.4, 12.5); SDG 13 (13.1, 13.2); SDG 14 (14.4); SDG 15 (15.1, 15.3, 15.4).  <b>UNSDCF Strategic Priority 3:</b> Sustainable and healthy environment, resilience disasters and climate change								
Result	Performance Indicators (disaggregated)	Baseline (Year)	Target (UNSDCF)	Means of verification	Total resources required , million (USD)	Available Resources (Annual)		
						Regular Budget	Extra budgetary	
<b>UNSDCF/CPF Outcome 3:</b> BY 2028, Bhutan’s environment remains sustainably managed and its people are more resilient to disaster risks and climate change	Area of forests sustainably managed to maximize economic and social benefits	264,3542 Ha	275,3542 Ha (2028)	National Forest Inventory/Department of Forests and Park Services				
	Number of technology-driven, efficient and reliable geohazard and hydromet information and services made available	289 (2023)	332 (2028)	Annual Report-National Centre for Hydrology and Meteorology				
	Existence of national emergency management and contingency plan	No (2022)	Yes (2025)	Ministry of Home Affairs-Administrative data				
	Essential food, medical items and other essentials are accessible, affordable and available at all times	No (2022)	Yes (2025)	Ministry of Health/Ministry of Agriculture & Livestock - Administrative data				
	Number of deaths, missing persons, and directly affected persons attributed to disasters per 100,000 population.	248/100,000 (2023)	Under 248/100,000 (2028)	Dept. of Local Governance and Disaster Management, Ministry of Home Affairs - Administrative data				

CPF Output [FAO's contribution to UNSDCF]	Geographical focus	Timeline		SDG Targets	PPA	Reg. Priority/ Initiative	Implementing Partner	Total resources required, Million (USD)	Available Resources (Annual)		
		Start	End						Yr	Regular Budget (TCP)	Extra budgetary
<b>CPF Priority Area 3:</b>								16.31	Total	0.00	16.31
Sustainable natural resources management, climate mitigation and adaptation measures, and disaster risk management and preparedness								0.45	Yr 1	0.00	0.45
								4.05	Yr 2	0.00	4.05
								4.05	Yr 3	0.00	4.05
								3.89	Yr 4	0.00	3.89
								3.89	Yr 5	0.00	3.89
<b>CPF Output 3.1:</b> Natural resources and critical ecosystems are better protected	National	2023	2028	5.6/6.4/12.4/ 14.4/15.2/15.4/ 15.8	BP1 BE1 BE3 BL4	RP2	RGOB: MoAL, MoENR, MoF, LGs, NCHM  Others: Civil society				
<b>CPF Output 3.2:</b> Rational and sustainable management of land, water, forests and biodiversity strengthened	National	2023	2028	1.5/2.3/2.a/3.d/ 5.6/5.c/6.4/12.2/ 12.3/15.2/15.4/10.1 15.8	BP1 BE1 BE2 BE3 BE4 BL4	RP2 RP3	RGOB: MoAL, MoENR, MoIT, MoICE, MoF, LGs  Others: Civil society Private				
<b>CPF Output 3.3:</b> Community resilience and capacities for disaster risk reduction, preparedness, and management systems strengthened	National	2023	2028	1.4 1.5 2.4 3.1 3.d/6.4/5.b/12.2/13.1/ 13.2/15.2/15.3		RP2 RP3 BE1 BL3 BL4	RGOB: MoAL, MoENR, MoHA, NCHM, MoF, LGs, RBP  Others: Civil society				

<b>National development priority:</b> Governance Outcome 1: Bhutan’s public sector is a more dynamic results-oriented agent of transformation, demonstrating effectiveness, accountability, and robust management of the economy. Outcome 3: Bhutan’s state institutions ensure inclusive, effective and accessible justice, transparent rule of law and public oversight  <b>National SDGs and Targets:</b> SDG1 (1.1, 1.3, );SDG5 (5.a, 5.c); SDG8 (8.3, 8.5);SDG10 (10.1);SDG11 (11.a);  <b>UNSDCF Strategic Priority 4:</b> Inclusive, transparent an accountable governance and rule of law								
Result	Performance Indicators (disaggregated)	Baseline (Year)	Target (UNSDCF)	Means of verification	Total resources required , million (USD)	Available Resources (Annual)		
						Regular Budget	Extra budgetary	
<b>UNSDCF/CPF Outcome 4:</b> By 2028, Bhutan has more inclusive, transparent and accountable governance and rule of law								
	Existence of an operationalized comprehensive, predictive data and analytics system operationalized at the national level	No	Yes (2028)	Administrative data				
Existence of integrated Civil Registration & Vital Statistics system in line with international standards	No	Yes	National Statistics Bureau -Administrative data					
Digital Citizen Engagement Index (Medium - 0.317 in 2022 to High over 0.75)	Medium - 0.317 (2022)	High over 0.75 (2028)	World Bank - GovTech Maturity Index Survey Report					
Proportion of women’s representation in decision making: a. Parliament b. Local government	a. 14.5percent b. 12.6percent (2022)	a. 0percent b.20percent (2029)	Electoral Commission of Bhutan					

CPF Output [FAO's contribution to UNSDCF]	Geographical focus	Timeline		SDG Targets	PPA	Reg. Priority/ Initiative	Implementing Partner	Total resources required, Million (USD)	Available Resources (Annual)		
		Start	End						Yr	Regular Budget (TCP)	Extra budgetary
<b>CPF Priority Area 4:</b>								5.49	Total	0.75	4.74
Evidence-based agrifood systems								0.86	Yr 1	0.15	0.71
								1.47	Yr 2	0.15	1.32
								1.11	Yr 3	0.15	0.96
								1.03	Yr 4	0.15	0.88
								1.03	Yr 5	0.15	0.88
<b>CPF Output 4.1:</b> Applied research for inclusive and evidence-based planning, budgeting, service delivery, monitoring, and evaluation strengthened	National	2023	2028	1.5/10.1/15.2/ 17.8	BP1 BP5 BN5 BL1 BL2 BL3	RP1 RP2 RP3	RGOB: MoAL, MoENR, Cabinet Secre- tariat, NSB, MoF, LGs, MoESD  Others: Civil society Private Research institutions				
<b>CPF Output 4.2:</b> Digitalization and technology- driven approaches for service delivery, economic diversification, e-governance and learning enabled	National	2023	2028	1.4/1.5/2.3/2.c/ 3.1/3.d/5.b/8.3/ 17.8			MoAL, Gov Tec, Cabinet Secre- tariat, NSB, MoF, LGs, MoESD  Others: Civil society Private Research institutions				

# Annex 2: Linkages between UNSDCF- FAO’s 4 Betters and PPAs - RGOB’s Draft 13 FYP

Four Betters and leaving no one behind	20 Programme Priority Areas (PPAs):	USNDCF/CPF	RGOB’ draft 13 FYP
Better production (BP)	BP1. Innovation for sustainable agriculture production	<p>Transform the country’s food and agricultural systems and to increase its contribution to the national economy through increased internal commerce, value chain building, ramping up of exports, adoption of technology, structural reforms, optimizing resource utilization</p> <p>Modernise agriculture to increase its contribution to GDP, build new value chains, ramp up of exports, adoption of technology and employment</p> <p>Organic farming methods and the adoption of agro-ecological approaches that improve soil health and conserve water</p> <p>Support for water management strategies, including promoting efficient irrigation techniques, and raising awareness on the importance of water conservation</p> <p>Partnerships with the private sector, financial institutions and innovative financing mechanisms in areas such as green bonds and carbon markets, and continue engagement with the Global Environment Facility and the Green Climate Fund for improved access to finance.</p>	<p>Commercialize high-value agriculture and livestock commodities</p> <p>A transformative approach to creating vibrant highland communities through sustainable yak and rangeland development</p> <p>Innovative farm machinery and technologies generated and adopted through research and development</p> <p>From farm to Global Market: Unleashing the potential of high value livestock products to boost GDP and revolutionize the livestock sector</p> <p>Tradition to Innovation: Revolutionizing Livestock Production in Bhutan through adoption of advanced and innovative technologies</p> <p>Premium Quality Products for high-end International Markets</p> <p>Economic Hub established in for high value export commodities</p> <p>Formulation/revision of legislations and policies</p> <ul style="list-style-type: none"> <li>- Cooperatives bill</li> <li>- Wetland policy relaxation</li> <li>- Human Wildlife Conflict Management (Index based insurance)</li> <li>- Import of foreign labor for agriculture</li> </ul>
	BP2. Blue transformation		

Four Betters and leaving no one behind	20 Programme Priority Areas (PPAs):	USNDCF/CPF	RGOB' draft 13 FYP
	BP3. One Health	<p>Expand the use of digital technology for both delivery of services as well as for capacity building and training of health workers.</p> <p>Manage dynamic risks such as climate change, natural disasters, hazards, pandemics, and other crises to ensure the continued availability of and access to essential health services.</p> <p>Innovative and sustainable health financing mechanisms, to strengthen partnerships with CSOs and the private sector and to advocate for increased resource allocation for preventive and promotive health services</p>	<p>Elimination of Rabies, PPR, and Bovine Brucellosis in Bhutan</p> <p>Strengthen clinical veterinary service delivery, institute cost-recovery programme for clinical veterinary services, and facilitate sale of predetermined list of veterinary medicines.</p> <p>Strengthen dairy herd health management and research</p>
	BP4. Small-scale producers' equitable access to resources	<p>Digital approaches for small businesses and other enterprises to enable and foster market linkages, product promotion and move up the value chain.</p> <p>Initiatives to overcome significant barriers to accessing financing mechanisms</p>	<p>From Tradition to Innovation: Revolutionizing Livestock Production in Bhutan through adoption of advanced and innovative technologies</p> <p>Vibrant highland communities through sustainable yak and rangeland development</p> <p>Expansion and strengthening of managed beekeeping across the country to enhance blossom honey production.</p> <p>Diversification of neglected and underutilized crop species (NUS) and enhance livelihood of farming communities</p>
	BP5. Digital agriculture	<p>Targeted technical assistance to food and agricultural systems and to increase its</p> <ul style="list-style-type: none"> <li>- contribution to the national economy through the adoption of technology</li> <li>- promote continued access to global supply chains to ensure minimal disruption to social services in times of crisis</li> </ul> <p>Capacity and systems to generate, collect, analyse and use data and evidence at the national and local government level for development planning, resourcing and management</p> <ul style="list-style-type: none"> <li>- expansion of Bhutan's statistical database system</li> </ul>	<p>Upscale tech-enabled climate resilient agriculture and livestock</p> <ul style="list-style-type: none"> <li>- Establish commercial Agri-tech farms</li> <li>- Generate and promote improved farm machinery and technologies</li> <li>- Intensify digitalization of Dairy Information system management through National Dairy Information System (NDIS) for real-time data recording and analysis.</li> <li>- Optimize dairy productivity through adoption of promising and advanced technologies in animal nutrition services</li> </ul>
Better nutrition (BN)	BN1. Healthy diets for all	<p>Actions to catalyse a social movement for healthy lifestyles, including healthy dietary practices</p>	

Four Betters and leaving no one behind	20 Programme Priority Areas (PPAs):	USNDCF/CPF	RGOB' draft 13 FYP
	BN2. Nutrition for the most vulnerable	<p>Improve the access and affordability of safe, high-quality nutrition-dense diverse foodstuffs, and the implementation of evidence-based interventions including fortification, micronutrient supplementation, capacity building on nutrition services</p> <p>Actions to improve nutrition at educational and monastic institutions to address over nutrition, undernutrition and micronutrient deficiencies amongst school-aged children</p>	<p>Securing 100 percent of total egg and 50 percent chicken consumption through domestic production through supply of quality inputs establishment of commercial farms, improved M&amp;E through digitization of poultry farms for better farm management, and strengthen poultry research, health and nutrition</p> <p>Increasing locally produced clean pork in the country</p> <ul style="list-style-type: none"> <li>- production &amp; supply of quality piglets, enhanced breeding technology (mobile AI services), development of pig breeding management software, and research</li> <li>- Commercial farms, strengthen value chains, and support of chilling facilities to mitigate pork marketing issues in the country</li> </ul> <p>Sustainable and locally sourced clean fish in the country</p> <ul style="list-style-type: none"> <li>- through supply of quality input, enhanced breed/strains, improved management practices, nutrition, research, and enhanced M&amp;E</li> <li>- commercial farms/community-based fisheries, strengthen value chain, establish chilling facilities, product diversification, and product certification</li> </ul> <p>Optimize dairy productivity through adoption of promising and advanced technologies in animal nutrition services</p> <p>Enhance rice and other cereal and self-sufficiency through irrigation, human-wildlife conflict management, land development, mechanization, input subsidy, research, and production support services</p> <p>Self-sufficiency of essential vegetable enhanced (Chilli, tomato, onion, beans and cauliflower) enhanced through protected cultivation and other production input services.</p> <p>Strengthen value chain through establishment of processing plants, product development, chilling facilities and institution of poultry federations (farm to fork)</p>

Four Betters and leaving no one behind	20 Programme Priority Areas (PPAs):	USNDCF/CPF	RGOB' draft 13 FYP
	BN3. Safe food for everyone	<p>Universal access to safely managed water and sanitation facilities - water and household drinking water safety and storage.</p> <p>Improving climate-resilient water, sanitation and hygiene (WASH) services and infrastructure</p>	Farm biosecurity standards implemented in all pig farms to protect economic value of the farms
	BN4. Reducing food loss and waste		
	BN5. Transparent markets and trade	Build the capacity and capabilities of cooperatives, CSIs, MSMEs, farmers and existing entrepreneurs – particularly women, youth and those from vulnerable groups- for the development of their businesses	<p>Grand Challenge Initiatives for developing Premium Quality Products for high-end International Markets</p> <p>Strengthening Farmer Groups, Cooperatives and RNR Enterprise</p> <p>Market Diversification of Agriculture and Livestock Commodities</p> <p>Standardization and certification of high-value export commodities/machinery</p> <p>RNR marketing and value chain enhanced</p>
Better environment (BE)	BE1. Climate change mitigating and adapted agri-food systems	<p>Support for sustainable agriculture and enhance the resilience of farmers to climate change and other environmental challenges.</p> <p>Support National capacity for accessing global environmental sustainability cooperation windows such as the Green Climate Fund, the Global Environment Facility Trust Fund, the Special Climate Fund and the Adaptation Fund</p> <p>Facilitate knowledge exchange on good practices in the adoption of green technologies, and Innovation to support sustainable practices and to reduce environmental impacts</p>	Strengthen Agro-meteorology services and institute index-based crop insurance to enhance adaptation to climate change impacts
	BE2. Bioeconomy for sustainable food and agriculture	Facilitate partnerships to integrate biodiversity conservation into the private sector	

Four Betters and leaving no one behind	20 Programme Priority Areas (PPAs):	USNDCF/CPF	RGOB' draft 13 FYP
	BE3. Biodiversity and ecosystem services for food and agriculture	<p>Support for the finalization and then implementation of Bhutan's 5th Biodiversity Strategy and Action Plan Support Bhutan to manage and restore protected areas and degraded habitats, reducing biodiversity loss and prevent and control invasive species, and prevent zoonotic diseases</p> <p>Nature-positive solutions - and support mainstreaming of biodiversity in plans and programmes at the national and local level towards enhanced sustainable use of ecosystem services</p>	<p>Sustainable utilization of native underutilized biological resources to enhance revenue generation</p> <ul style="list-style-type: none"> <li>- Improving native animal productivity</li> <li>- Profiling of special values (nutritional, therapeutic, nutraceuticals) of traditional AnGR</li> <li>- value added premium product and marketing.</li> <li>- Value addition and product diversification of neglected and underutilized crop species (NUS) and enhance livelihood of farming communities</li> </ul> <p>Nature based product development, sale of economically potential biological resources, and collection of fees</p> <p>Biodiversity information and ex-situ conservation of native biological resources and gene banks</p>
	BE4. Achieving sustainable urban food systems	More sustainable consumption and production patterns in urban and rural locations	Strengthen dairy value chains for new and improved products through adoption of emerging dairy technologies and investment in building capability, knowledge, and infrastructure.
Better life (BL)	BL1. Gender equality and rural women's empowerment	Support for participatory evidence-based planning, budgeting, gender-responsive and child-sensitive social service delivery, monitoring and evaluation	
	BL2. Inclusive rural transformation		
	BL3. Agriculture and food emergencies	Institutional capacity and governance mechanisms for disaster prevention, risk reduction, recovery and promotion of sustainable and climate-resilient agricultural and livestock practices that minimize environmental impacts and enhance food systems	Promote resilient and Smart dairy farming practices

Four Betters and leaving no one behind	20 Programme Priority Areas (PPAs):	USNDCF/CPF	RGOB' draft 13 FYP
	BL4. Resilient agrifood systems	<p>Support accelerated strengthening of the capacity for governance, analysis and coordinated preparedness, planning and response for climate adaptation, disaster risk reduction and emergency preparedness and response, including logistics, telecommunications and food security</p> <p>Support to develop resilient infrastructure as well as to strengthen existing infrastructure to protect the population from natural hazards, climate change, and disaster events.</p> <p>Development of index-based selected crop and livestock insurance systems, along with programmes to build the resilience and adaptive capacity of smallholder farmers</p> <p>Strengthening monitoring and evaluation frameworks to assess the effectiveness and impact of policies and strategies, employment and livelihood programmes, ensuring accountability and continuous improvement</p>	<p>Adoption of climate resilient farming technologies through energy efficient and integrated farming</p> <p>climate resilient farming technologies for improved productivity and product value through promotion of RAS, Biofloc technology, Aquaponics, agro-ecological zone-based farming, precision farming, and climate resilient species.</p>
	BL5. Hand-in-Hand (HIH) Initiative	<p>Targeted technical assistance to food and agricultural systems and to increase its contribution to the national economy</p> <ul style="list-style-type: none"> <li>- increased internal commerce, value chain building, ramping up of exports,</li> <li>- Structural reforms, and optimizing resource utilization for better returns and sustainability</li> <li>- evidence-based decision making</li> </ul>	Economic Hub established in for high value export commodities
	BL6. Scaling up investment	<p>Investment promotion strategies to attract quality foreign direct investments</p> <p>Evidence-based decision making</p>	Economic Hub established in for high value export commodities



## Contact us

📍 UN House | Peling Lam | Thimphu

☎ +975-2-322424

✉ fao-bt@fao.org

✂ @FAOBhutan

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