



Food and Agriculture  
Organization of the  
United Nations

## Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness

GCP /BHU/11223/GFF

Project Document

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January 2025





### PROJECT DOCUMENT

Upon request from the Royal Government of Bhutan, represented by the Ministry of Finance, the Food and Agriculture Organization of the United Nations (FAO) will provide technical assistance for the following Project:

Project Title:	Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness
Project Symbol:	GCP /BHU/11223/GFF

Upon signature of this project document by duly authorized representatives of both parties, the project will be implemented in accordance with the provisions of the Exchange of Letters between the Government of the Kingdom of Bhutan, FAO and the Government of the Republic of India signed on 23 November 1983 and the Revised Standard Agreement on Technical Assistance between the Government of the Kingdom of Bhutan and a number of UN organizations, including FAO, signed on 21 February 1973 as well as the project description and management arrangements described herein.

On behalf of: The Government of the Kingdom of Bhutan, Department of Macro-Fiscal and Development Finance; Ministry of Finance		On behalf of: The Food and Agriculture Organization of the United Nations	
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Date:		Date:	

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## ACRONYMS

ARDC	Agriculture Research and Development Center
asl	Above sea level
AWP/B	Annual work-plan and budget
BFDA	Bhutan Food and Drug Authority
BH	Budget Holder
BRECSA	Building Resilient Commercial Smallholder Agriculture
CARLEP	Commercial Agriculture and Resilient Livelihoods Enhancement Programme
CBO	Community-Based Organization
CEO	Chief Executing Officer (GEF)
CSO	Civil Society Organization
DAMC	Department of Agricultural Marketing and Cooperatives
DAO	<i>Dzongkhag</i> Agriculture Officer
DLO	<i>Dzongkhag</i> Livestock Officers
DoA	Department of Agriculture
DoL	Department of Livestock
EN	Endangered
ESMP	Environmental and Social Management Plan
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FLO	Funding Liaison Officer
FPIC	Free Prior and Informed Consent
FPMIS	Field Program Management Information System
FSAPP	Food Security and Agriculture Productivity
FSIP	Food System Integrated Program (of the GEF)
FSIP-GCP	FSIP Global Coordination Project
FYP	Five Year Plan
GAfsp	Global Agriculture and Food Security Programme
GAP	Gender Action Plan
GBV	Gender based violence
GCF	Green Climate Fund

GEB	Global environmental benefits
GEF	Global Environment Facility
GHG	Greenhouse gas
GNH	Gross National Happiness
GRC	Grievance Redress Committee
GTO	FAO GEF Technical Officer
ha	Hectare (10,000 square meters; 0.01 square kilometer)
HWC	Human Wildlife Conflict
IBA	Important Bird Area
IFAD/GAFSP	International Fund for Agricultural Development/ Global Agriculture and Food Security Program
ILM	Integrated landscape management
KMGBF	Kunming-Montreal Global Biodiversity Framework
LTO	Lead Technical Officer
M&E	Monitoring and Evaluation
METT	Monitoring and Evaluation Tracking Tool (for protected areas)
MoAL	Ministry of Agriculture and Livestock
MTR	Mid-term review
NEXT	The Nationally Determined Contribution Expert Tool
Nabs	Nature-based solutions
NBSAP	National Biodiversity Strategy and Action Plan
NDC	Nationally Determined Contribution (under UNFCCC)
NFSPs	National food System Pathways
NGO	Non-governmental organization
NSB	National Statistics Bureau
NSSC	National Soil Services Centre
OED	Office of Evaluation Division (FAO)
OIG	Office of the Inspector General FAO
OP	Operational Partner
OPA	Operational Partnership Agreement
OPIM	Operational Partnership Implementation Modality

PA	Protected and Conserved Area
PIR	Project Implementation Review
PMC	Project Management Costs
PMU	Project Management Unit
PPAs	Programme Priority Areas
PPG	Project Preparation Grant
PPP	Public Private Partnerships
PPR	Project Progress Report
PSC	Project Steering Committee
RGoB	Royal Government of Bhutan
SDG	Sustainable Development Goals
SME	Small and Medium Enterprises
STI	Science, technology, and information
tCO <sub>2</sub> eq	Metric tons of carbon dioxide equivalent
TE	Terminal Evaluation
Tock	Theory of Change
ToR	Terms of reference
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollars
VU	Vulnerable

### **Glossary of Bhutanese Terms**

Brokpa	Semi nomadic ethnic group of yak herders
Chiwogs	A cluster of villages within a Gewog
Dzongdag	District Administrator/Governor
Dzongkhag	District
Gewog	Sub district - Lowest political and administrative unit comprising a group of Chiwogs
Gup	Head of a Gewog
Mangmi	Deputy Gup - an elected representative of the Gewog
Tsamdrog	Grazing pasture

Tengma	Roasted and flattened maize
Kharang	Maize grits
Ara	Distilled alcoholic drink

## GENERAL PROJECT INFORMATION

Project Title:	Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness (FSP)		
Parent Program (if IP):	Food Systems		
Region:	Asia Pacific	GEF Project ID:	11223
Country(is):	Bhutan	Type of Project	Full-sized project
Lead Agency:	FAO		
Lead Agency Project ID (FAO entity number):	739922	FAO Project Symbol:	GCP/BHU/11223/GFF
Other GEF Agency(is):		Other GEF Agency(is) ID:	
Project Executing Entity(s) and Type:	Ministry of Agriculture and Livestock (MoAL) - Government		
GEF Focal Area(s):	Multi-focal areas	Type of Trust Fund:	GEF Trust Fund
Implementation start (Expected EOD):	1 July 2025	Implementation end (Expected NTE)	30 June 2030
Project duration:	60 months		
Project Budget:	9,585,933	Co-financing:	49,662,083
Total Project Budget (including co-financing)	59,248,016		
Project Tags:	<input type="checkbox"/> CBIT <input type="checkbox"/> NGI <input type="checkbox"/> SGP <input type="checkbox"/> Innovation		
Project Sector (CCM only)			
Rio Markers			
- Climate Change Mitigation	<input checked="" type="checkbox"/> No Contribution (0) <input type="checkbox"/> Significant Objective (1) <input type="checkbox"/> Principal Objective (2)		
- Climate Change Adaptation	<input type="checkbox"/> No Contribution (0) <input checked="" type="checkbox"/> Significant Objective (1) <input type="checkbox"/> Principal Objective (2)		
- Biodiversity	<input type="checkbox"/> No Contribution (0) <input type="checkbox"/> Significant Objective (1) <input checked="" type="checkbox"/> Principal Objective (2)		
- Land Degradation	<input type="checkbox"/> No Contribution (0) <input checked="" type="checkbox"/> Significant Objective (1) <input type="checkbox"/> Principal Objective (2)		

Environmental and Social Risk Classification:	low risk <input type="checkbox"/> moderate risk <input checked="" type="checkbox"/> high risk <input type="checkbox"/>
Gender Marker	GM 0 <input type="checkbox"/> GM 1 <input checked="" type="checkbox"/> GM 2 <input type="checkbox"/>
Contribution to FAOs Strategic Framework: (Indicate as appropriate)	<p>Programme Priority Area(s) (PPA/s): BE3 - Biodiversity and ecosystem services for food and agriculture:  BE1: Climate change mitigating &amp; adapted agrifood systems  BE3: Biodiversity &amp; ecosystem services for food &amp; agriculture  BL2: Inclusive rural transformation  BL4: Resilient agrifood systems  BL5: Hand-in-Hand Initiative  BN5: Transparent markets &amp; trade  BP1: Better production  BP5: Digital agriculture</p> <p>SDG target(s): SDGs 1, 5, 13, and 15  Main SDG: SDG 1 (End Poverty)  Other significant SDGs (up to 9) and, where appropriate, targets: SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 13 (Climate Action) and SDG 15 (Life on Land).</p> <p>Country Programming Framework, 2024-2028 Output(s):  Output 1.1: Productivity of livestock and crops for high-value agrifood value chains enhanced  Output 1.2: Innovative and inclusive policies, technologies and investment platforms for gender-responsive and youth-friendly value-chains developed  Output 1.3: Regional and international market standards, branding and certification and accreditation for agriculture and livestock commodities enhanced  Output 2.3: Gender-responsive, inclusive technologies and practices promoted  Output 4.2: Digitalization and technology-driven approaches for service delivery, economic diversification, e-governance and learning enabled</p> <p>Regional Initiative/Priority Area:  Hand-in-Hand Initiative Digital Village Initiatives (DVI)  One Country One priority product (OCOP)</p>

## Project Summary

The project is a component of the GEF8 Food Systems Integrated Program (FSIP) which aims to achieve transformation to sustainable, regenerative and inclusive food systems that are nature positive, resilient and pollution free. It links to the FSIP pathways: *Strengthening enabling environments to catalyse food systems transformation...*, *Environmental benefits leveraged through sustainable management of food systems, landscapes and value chains*, and *knowledge, innovation, scaling and coordination promoted*.

The 13<sup>th</sup> Five Year Plan<sup>1</sup> (FYP) of the Royal Government of Bhutan (RGoB) aims to enhance Bhutan's productivity and diversify its products and markets, to drive sustainable economic growth by 2029, including through high-value agriculture and livestock production, processing, and marketing. The 13<sup>th</sup> FYP prioritizes support to subsistence farming for improved livelihood and food security, high-value products for export markets, and enhancing ecosystem services.

In addition, the RGoB has set eight transformative national food system pathways (NFSPs) to achieve a high-performance food system to provide for abundance and catalyse the maximization of Gross National Happiness (GNH) and the achievement of the Sustainable Development Goals (SDGs).

The RGoB considers that integrated value chain systems will reduce transaction costs arising out of inefficiencies in distribution and logistics, reduce food loss, help stabilize food prices, help make safe and healthy foods accessible and affordable, address the mismatch between farmers and markets, and establish sustainable pathways for youth and private sector engagement.

However, achieving food systems transformation is constrained by three barriers: (i) Farm, landscape and value chain management - low economies of scale, and lack of food-systems infrastructure and markets; (ii) Policy, planning, institutional and collaboration frameworks - insufficient inter-sectoral coordination and enabling mechanisms; and (iii) Knowledge and innovation - limited sharing of knowledge and innovations.

There is potential to generate environmentally sustainable social and economic benefits through food system transformation, but only if the barriers are addressed effectively and risks mitigated. This will require improved tools, capacities, and safeguards to manage the complex interrelations among environmental, social, and productive factors in an integrated and evidence-based manner, engaging multiple stakeholders, and working at different levels (farm to landscape and beyond) and in different dimensions (production to consumption).

Without additional support, it is unlikely that barriers will be addressed, or food systems transformation optimized. GEF support will provide incremental investment that will otherwise be difficult to attain through government budgetary, non-governmental or private sector sources. The project will focus on farming systems and value chains and emphasize interventions that support women- and youth-led initiatives, including low-tech mechanization to reduce labour inputs and the use of agro-chemicals. It will facilitate the engagement of the private sector along the agrifood system value chain, with a focus on improving aggregation, processing, marketing, and financing for environmentally sustainable agrifood systems.

The project's objective is to ensure the long-term environmental sustainability of food systems and the delivery of global environmental benefits (GEBs).

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<sup>1</sup> Ministry of Agriculture and Livestock Royal Government of Bhutan (2024) Transforming the Agrifood Sector for Economic Growth and Sustainable Development. Thirteenth Five Year Plan 2024-2029.

## Project Description Overview

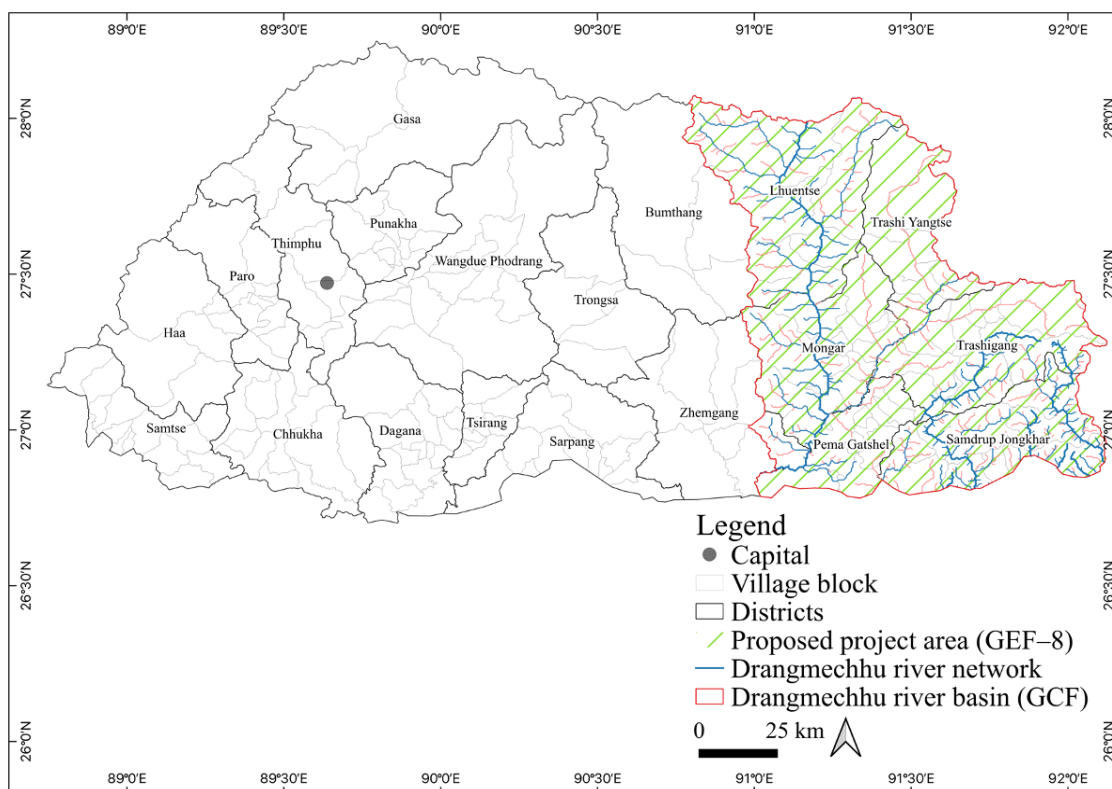
<b>Project Objective:</b> To ensure the long-term environmental sustainability of food systems and the delivery of global environmental benefits (GEBs).						
<b>Project Components</b> <i>(and indicator targets)</i>	<b>Component Type</b>	<b>Project Outcomes</b>	<b>Project Outputs</b>	<b>Trust Fund</b>	<b>GEF Project Financing (USD)</b>	<b>Co-financing (USD)</b>
<b>Component 1:</b> Supportive enabling conditions for sustainable and healthy food systems <i>Indicators:</i> <ul style="list-style-type: none"> <li><i>Inter-sectoral coordination forum for food system transformation established at national level</i></li> <li><i>Number of environmentally sustainable agrifood products certified to international standards for export</i></li> </ul>	TA	1.1: Improved inter-sectoral collaboration mechanisms to support sustainable and healthy agrifood system transformation pathways	1.1.1: Policies, plans, regulations, and investment guidance harmonized to promote sustainable food systems	GEF TF	338,500	1,141,563
			1.1.2 Standards and certification developed to meet export market requirements for sustainable agricultural products	GEF TF	1,113,385	
<b>Component 2:</b> Transformation of food systems at farm, landscape and value chain levels <i>Indicators:</i> <ul style="list-style-type: none"> <li><i>Area under improved practices (Ha)</i></li> <li><i>Metric tons of CO2e mitigated (GEF core indicator 6)</i></li> <li><i>Number of women and men trained</i></li> <li><i>Number of women and men trained</i></li> <li><i>No. of climate-resilient and sustainable value chain enterprises established</i></li> </ul>	INV	2.1: Farmers and SMEs adopt sustainable food production practices that deliver GEBs within a framework of integrated landscape management (ILM)	2.1.1 Sustainable food production and farming systems promoted within a framework of ILM	GEF TF	3,408,338	46,286,893
	INV	2.2 Agrifood system value chains are more sustainable and resilient to shocks	2.2.1: Public-private partnerships support investments for sustainable and resilient agricultural value chains that engage youth and are gender responsive	GEF TF	251,115	
			2.2.2: Agrifood value chain enterprises promote environmentally	GEF TF	2,236,904	

			sustainable, resilient and gender responsive agricultural and livestock products			
<b>Component 3:</b> Adaptive management and knowledge <i>Indicators:</i> <i>Food system dashboard operationalized and accessible</i>  <i>No. of knowledge products developed and available on website of MoAL</i>	TA	3.1 Evidence- and results-based adaptive management	3.1.1: Monitoring mechanism with sustainability dimensions optimize effective, efficient and results-based adaptive management of agrifood system transformation.	GEF TF	474,400	24,096
		3.2 Improved access to knowledge and technical expertise	3.2.1: Linkages to national, regional and global hubs/resources on sustainable agrifood systems and integrated landscape management established, enabling the management and exchange of knowledge and the stimulation of innovation and behavior change	GEF TF	1,027,691	
<b>Monitoring and Evaluation (M&amp;E)</b>		Project monitoring and assessment of global environmental benefits (GEBs)	Project progress and results, including gender-differentiated project impacts, are monitored, evaluated, and disseminated for transparency, organizational learning and adaptive management	GEF TF	279,200	0
<b>Subtotal</b>					9,057,533	47,452,553
Project Management Cost (PMC)				Select	456,400	2,209,530
<b>Total Project Cost</b>					9,585,933	49,662,083

## PROJECT OUTLINE

### A. Project Rationale

The project targets 23 *gewogs* (sub districts) located in the six *dzongkhags*<sup>2</sup> (districts) of eastern Bhutan on the southern slopes of the Himalaya (Figure 1). The landscape comprises mountains dissected by deep valleys with fast flowing rivers that drain into the Indian plains with elevations ranging from 200 masl to over 6,000 masl. The area hosts globally important biodiversity<sup>3</sup> and rich agricultural diversity. The varied agro-ecological conditions enable the production of a wide range of agricultural and livestock commodities.



**FIGURE 1 LOCATION OF PROJECT'S TARGETED DZONGKHAG**

The total area of the six *dzongkhag* is 1,135,511.7 ha<sup>4</sup>, and the 23 targeted *gewogs* contain 23,514 ha of agricultural land, of which 15,284 ha is being actively used, with the remainder either fallow or abandoned. The six *dzongkhags* have a combined population of 170,304 (37,392 households), spread across 70 *gewogs*, with slightly more females (86,274) than males (84,031) except for Mongar *Dzongkhag*. An estimated 35% of households are headed by females.

**Systemic challenges** within the target landscape include: i) **economic challenges** (poverty, lack of opportunities for decent rural employment and poor access to markets and finances), ii) **socio-political challenges** (demographic change leading to rural out migration, small and scattered land holdings, low

<sup>2</sup> Samdrupjongkhar, Pemagatshel, Trashigang, Mongar, Lhuentse and Trashi Yangtse

<sup>3</sup> Protected areas (PAs) in the project target area include Bumdeling Wildlife Sanctuary (WS) which includes a Ramsar site, Sakteng WS and Jomotsangkha WS. There are several endangered mammals in eastern Bhutan including Snow Leopard (*Panthera uncia*) EN, Tiger (*Panthera tigris*) EN, Asiatic wild dog (*Cuon alpinus*) EN, and Himalayan musk deer (*Moschus leucogaster*) EN. Bumdeling Ramsar site is home to at least 74 bird species, including Black-necked Cranes (*Grus nigricollis*) VU, that migrate from the Tibetan plateau each year to winter at the site.

<sup>4</sup> LULC 2020, NLC.

mechanization, and geographical dispersion and fragmentation of farms limit farmer's access to inputs and services, gender-based inequality, and vulnerability to natural hazards), and iii) **climate change**. These challenges generate direct drivers of land use change notably an expansion of the area of fallow lands, increased human-wildlife conflict (HWC) and unsustainable livestock management practices within the target area rangelands.

Food systems in Bhutan have not kept pace with the increasing demand of a growing population and as a consequence, an increase in the importation of food<sup>5</sup> has become an impediment to Bhutan achieving food self-sufficiency which has made the economy highly vulnerable to supply chain shocks. Agriculture in Bhutan is beset with inherent structural and systemic challenges related to small and scattered land holdings, low potential for mechanization, vulnerability to climate change impacts, and migration of the working population from rural to urban areas, resulting in farm labour scarcity. Less than 20% of arable land is irrigated and persistent crop and livestock loss to wildlife, as well as pests and diseases, leads to land fallowing and abandoning of farms. Post-harvest losses remain high, agri-processing infrastructure is under-developed, markets and standards remain weak and private sector participation in farming is low.

Without GEF intervention, the following scenarios are possible:

**Scenario A** – slow implementation of the 13<sup>th</sup> FYP and the NFSPs results in a moderate transition towards environmental sustainability with incremental improvements in the *dzongkhag* and *gewog* enabling environments, including modest improvements in the capacity of farmers and small and medium enterprises (SMEs) to access sustainable financing and climate resilient value chains. Agrifood systems continue to face direct and systemic challenges. Biodiversity, flows of ecosystem services and the wellbeing of rural communities are threatened increasingly by climate hazards, including heavy rainfall, flash flooding and associated landslides, soil erosion and nutrient loss.

**Scenario B** – lack of improvement in agriculture and livestock management leads to ongoing degradation of forests, rangelands and wetlands. Adaptation efforts are insufficient to address systemic challenges with a consequent decline in the flow of ecosystem services and disruption to social-ecological systems. Biodiversity and the wellbeing of farming families are increasingly threatened by climate hazards and the direct environmental risks will likely be realized, including: Increased soil degradation and GHG emissions from converting fallow lands to agricultural production; Soil erosion and water depletion from expansion of irrigation without appropriate technologies and governance; and Ecosystem degradation from infrastructure development without adequate environmental safeguards, planning and governance.

In either scenario, the management of agrifood systems will provide neither effective conservation of biodiversity nor sustainable economic returns to communities. Ongoing degradation will pose risks to key habitats and species, contribute to the declining carbon storage capacity of forests, rangelands, wetlands, and farms, reduce flows of some ecosystem services, and increase vulnerability to climate change.

### **Pathways to change**

Addressing the barriers (see below) to the long-term environmental sustainability of food systems and the delivering global environmental benefits (GEBs) requires a comprehensive approach, including investment in infrastructure, modernization of agricultural practices, introduction of climate adaptation strategies, and improved extension support to build a more environmentally sustainable, resilient and self-sufficient food system. The RGoB has made progress in achieving this through:

- The **national food system pathways** (NFSPs) aim to enhance food systems to align with the country's Gross National Happiness (GNH) framework. It proposes transformative pathways to a food system that contributes positively to Bhutanese well-being, environmental sustainability, and economic stability. The goal is to ensure that Bhutan's food systems support and enhance the GNH pillars - sustainable development, conservation of the environment, and the well-being of its

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<sup>5</sup> Draft: Grow Bhutan: RNR Strategy 2030. A Commitment to Transformation, Impact & Abundance.

citizens. The NFSPs recognize that Bhutan needs to transition to more sustainable and self-reliant food systems that involve reducing dependence on imported food and boosting local production through improved agricultural practices. By investing in agriculture, Bhutan can create jobs, strengthen rural economies, and reduce poverty. Enhancing food security and sovereignty contributes to the resilience of local communities.

The NFSPs are i) agricultural innovation to encourage the adoption of innovative farming techniques and technologies to improve productivity and environmental sustainability, including organic farming, agroecology, and climate-resilient crops; ii) local food systems to strengthen and support smallholder farmers, improve market access, and foster community-based food initiatives to build a more resilient and self-sufficient food economy; iii) nutrition and health to improve public health by promoting nutritious diets and food diversity, using educational programmes to help citizens make healthier food choices and understand the benefits of local produce; iv) policy and governance to develop and implement policies that support sustainable food systems, including incentives for sustainable Nabs practices, improving land use policies, and ensuring effective food safety regulations; v) research and education investment to drive Nabs related innovation in the food sector, including knowledge dissemination and capacity-building; and vi) cultural integration of Bhutanese cultural values and traditional practices into the food system. The NFSPs include an aim to ensure that Bhutan's food systems remain ecologically benign and carbon neutral; and build resilience to shocks and stressors across the food system network.

- Bhutan's 13<sup>th</sup> Five Year Plan (FYP) which prioritizes high value agriculture and livestock production, processing and marketing. Promotion of high value products for export and improving the business ecosystem, including new trade agreements for commercial producers are key strategies in the 13<sup>th</sup> FYP. Support for smallholder farmers includes protection against wild animal depredation, provision for irrigation and other inputs, pest and disease surveillance, and strengthening domestic market linkages.

Achieving Bhutan's NFSPs and the targets in the 13<sup>th</sup> FYP, and avoiding the above scenarios, are constrained by three **key barriers**:

- (i) Policy, planning, institutional and collaboration frameworks.** There are insufficient inter-sectoral coordination and enabling mechanisms for implementing the 13<sup>th</sup> FYP<sup>6</sup> and the NFSPs. National and *dzongkhag* policy, planning and institutional frameworks tend to be characterized by silos, with insufficient coordination among agriculture, environment, trade, investment and nutrition/health sectors. This is a missed opportunity for intersectoral cooperation to reduce conflict among policies and investments in different sectors.
- (ii) Farm, landscape and value chain management.** Low economies of scale and lack of value chain infrastructure and markets limit opportunities for producing food in ways that combine environmental sustainability with enhanced productivity and nutritional value. Bhutan's rugged terrain and limited infrastructure, including poor road networks, inadequate irrigation and lack of aggregation, processing and storage facilities, impact the efficient distribution of food and increase post-harvest losses. Farmers face difficulties accessing markets and fair pricing for produce due to inefficiencies in value chains, lack of infrastructure and inadequate market information.<sup>7</sup> Farmers and producer organizations have very low capacities to interact with value chains beyond local and informal markets, have limited business skills, contacts or ability to forge them, and weak ability to absorb fluctuations in prices and terms of trade.
- (iii) Knowledge and innovation.** The persistence of small-scale, traditional farming and livestock management practices and limited access to modern technologies and knowledge hinder

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<sup>6</sup> This barrier corresponds to the FS-IP Barrier 1 policy, planning, institutional and collaboration frameworks

<sup>7</sup> This barrier corresponds to the FS-IP Barrier 3. farm, landscape and value chain management

agricultural efficiency<sup>8</sup> and contribute to the vulnerability of farmers. R&D extension efforts focused on improving access to markets and value chains have been insufficient.

GEF incremental support, through the FSIP, is well placed to address the barriers, support the delivery of NFSPs and the objectives of the 13<sup>th</sup> FYP: *Enhance food and nutrition security, Enhance sustainable livelihood and Promote sustainable utilization of arable agriculture and pasture land resources* and deliver GEBs.

### Criteria for selection of interventions

The project design considered the following general criteria for the selection of interventions.

- Potential to achieve enhanced outcomes for biodiversity, climate change, land degradation and flows of ecosystem services.
- Likelihood of success in socio-economic terms including:
  - Capacity to improve livelihoods, nutrition and food security.
  - Addresses specific needs of women, youth and marginalized people.
  - Builds resilience in the face of systemic challenges that cannot be directly addressed by the project, including macro-economic challenges, demographic change and climate change.

Keeping in mind the above general criteria, the final selection of specific locations and commodities was informed by extensive consultation with stakeholders, including farmers, staff of national and local governments, private sector entities, civil society organizations and value chain experts. The criteria used to select *gewogs* included i) Impact – a) potential to achieve meaningful improvements to environmental, sustainability, productivity and food security and b) the need to build resilience of subsistence farmers; ii) Responses from the stakeholder consultations; and iii) Strategic alignment to the 13<sup>th</sup> FYP.

The criteria used to select commodities included: i) Impact - environmental, economic and social; ii) Feasibility - access to technology, expertise, and infrastructure, cost-effectiveness, potential to engage the private sector; iii) Scalability and replicability - potential to expand beyond target population and geographic area; iv) Sustainability and resilience - potential to reduce dependency on imports and/or vulnerability to adverse effects, shocks and stresses (climate change and market fluctuations); v) Innovation and learning – opportunity to apply innovative solutions and technologies and potential to generate learning and promote knowledge sharing; and vi) Strategic alignment with SDGs, GEBs, 13<sup>th</sup> FYP and National policies, FAO's Country Program Framework and stakeholder interests.

The process identified 23 *gewogs* and the following sets of commodities that were considered to have the highest potential: i) **Sustainable and regenerative agriculture**: Cereal (quinoa, buckwheat and maize), Vegetables (asparagus, beans, broccoli, cauliflower, chili and tomato), and Potato; and ii) **Sustainable and regenerative livestock management**: Poultry and Dairy (Yak and Cattle). Details for each priority commodity are given below.

## CEREAL

### QUINOA

**Key issues:** farmers lack knowledge of cultivation practices leading to suboptimal yields; limited choice of variety and access to high-quality seeds affects crop productivity; limited processing facilities, underdeveloped value-added products and limited access to and knowledge of international markets.

**Key needs for improvement:** introduce locally adapted, high quality seeds; train farmers in best practices; improve processing facilities; create diverse quinoa-based products; develop marketing strategies; establish stronger linkages between producers and markets, both domestically and internationally.

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<sup>8</sup> This barrier corresponds to the FSIP Barrier 4 knowledge and innovation

## BUCKWHEAT

**Key issues:** Limited knowledge of and access to technology; focus on traditional varieties and methods; soil and climate constraints; insufficient processing facilities and lack of standardized processing practices; limited market access; underdeveloped product range.

**Key needs for improvement:** training on farming techniques and sustainable practices; develop high-yield and disease-resistant varieties; establish and upgrade milling and processing facilities; implement standardized processing methods; strengthen market linkages; encourage the development of buckwheat-based products (e.g., flour, snacks); promote buckwheat as a nutritionally superior food and valuable product through branding and marketing strategies.

## MAIZE

**Key issues:** scattered production in remote villages makes collection expensive; maize products are limited to *tengma* (roasted and flattened maize) *kharang* (maize grits) and *Ara* (distilled alcoholic drink); there is a huge unmet demand for seeds from the National Seed Centre.

**Key needs for improvement:** enhance access to high-quality improved varieties of seed; encourage the private sector to invest in seed production and training to reduce post-harvest losses through improved storage facilities and better handling practices; develop efficient market linkages and improve transportation infrastructure; encourage value addition activities (processing and packaging).

## VEGETABLES

**Key issues:** limited access to quality inputs (seeds, irrigation), inefficient practices, and susceptibility to weather; transportation constraints and limited market information; lack of infrastructure for storage and transport, inadequate branding, labeling and marketing strategies.

**Key needs for improvement:** improve access to quality inputs to improve productivity and crop quality,; improve training and extension services; introduce climate-controlled ‘protected agriculture’ (greenhouse) systems, cold storage, and transportation; improve market access and reduce post-harvest losses; enhance processing, packaging, labeling and branding; establish reliable market information systems to provide farmers with timely market data and price information to make informed decisions.

## POTATO

**Key issues:** land fragmentation, limited access to quality seeds, fertilizers and irrigation facilities; pests and diseases pose significant threats to yield and quality; lack of post-harvest handling techniques and cold chain infrastructure; underutilized value addition through processing (e.g., chips, flakes, and starch); and lack of institutional support for farmer cooperatives and producer groups.

**Key needs for improvement:** improve access to quality seeds to enhance productivity; implement effective pest and disease management strategies; enhance post-harvest handling and cold chain infrastructure; explore value addition opportunities; provide institutional support and capacity building.

## POULTRY

**Key issues:** poor access to quality breeds, feed, and veterinary services; limited biosecurity measures and disease outbreaks pose significant risks to flock health and productivity; market access constraints, including transportation and market information gaps; insufficient capacity-building.

**Key needs for improvement:** improve inputs (quality chicken breeds, feed, and veterinary services) to enhance production and flock health; strengthen biosecurity measures to mitigate disease risks; address market access constraints and provide market information to enable farmers to access markets; build capacity on production practices, disease management, and market linkages.

## EGGS

**Key issues:** similar challenges and risks as chicken production including access to quality inputs, disease management, and market price fluctuations; lack of quality control, packaging, and storage; inadequate egg processing facilities and value-added egg products.

**Key needs for improvement:** enhance input access and disease management; improve egg quality and safety measures; promote small-scale egg production.

## DAIRY

**Key issues:** challenges in breed improvement, feed availability, and animal health management; limited access to modern milking equipment and processing facilities; market access constraints and price volatility; lack of investment in infrastructure and technology.

**Key needs for improvement:** breed improvement and animal health management; invest in modern milking equipment and processing facilities; address market access constraints and price volatility; support dairy cooperatives and producer groups and invest in infrastructure and technology.

The selection of commodities and *gewogs* is shown in Table 1 and shown graphically in the annex.

**TABLE 1 SELECTION OF GEWOG AND COMMODITIES**

<i>Dzongkhag</i>	<i>Gewog</i>	Agriculture	Livestock management
<b>Market oriented</b>			
Lhuentse	Tsaenkar	Maize, Potato	
	Minjey		Dairy
Mongar	Drepong	Quinoa	Poultry
	Silambi	Buckwheat	Dairy
	Jurmey		Dairy
	Narang	Vegetables, Potato	
Pemagatshel	Decheling		Dairy, Poultry
	Nanong	Maize, Vegetables, Potato	
	Zobel	Quinoa, Potato	
Samdrupjongkhar	Langchenphu	Quinoa, Potato	
	Gomdar	Buckwheat	
	Martshala	Potato	Dairy
	Lauri	Potato, Maize, Quinoa	
	Serthig	Maize, Vegetables, Quinoa	
Trashigang	Lumang	Maize	Poultry
	Kangpar	Vegetables, Maize	Poultry
	Khaling	Integrated Farm	
	Yangnyer	Potato	Dairy
Trashiyangtse	Khamdang	Maize	Dairy, Poultry
	Bumdeling	Quinoa, Buckwheat	Dairy, Poultry
	Ramjar	Vegetables	Dairy, Poultry

<i>Dzongkhag</i>	<i>Gewog</i>	Agriculture	Livestock management
<b>Semi-subsistence<sup>9</sup></b>			
Trashigang	Merak		Dairy, Rangeland management
	Sakteng		Dairy, Rangeland management

#### KEY CONTRIBUTIONS OF THE PROJECT TO GEBs INCLUDE:

- **Sustainable and regenerative agriculture:** Conservation of agrobiodiversity and genetic resources through intensification of underutilized native buckwheat variety; reducing water stress through on-farm water efficient practices; reducing land degradation through sustainable land management practices; use of locally adapted, high quality seeds for crop diversity; introduction of greenhouses and other measures such as smart wildlife pest repellent technology to reduce HWC and support biodiversity conservation; and use of terrain and gender friendly machinery to enable gender responsiveness of project interventions.
- **Sustainable and regenerative livestock management:** restoration and improved management of rangelands to enhance the resilience of alpine ecosystems, protect biodiversity, and support continued provision of crucial ecosystem services; improved genetic resources through preservation, sustainable use, and intensification of indigenous poultry and yak breeds; and reduced GHG from dairy through improved pastures and manure management.

#### Current landscape of investments

The project will build on the current landscape of investments including:

- Relevant sectoral agencies and staff at the *dzongkhag* level, including the Departments of agriculture (including irrigation), livestock, forestry and agricultural research and development, as well as the gender focal points, which all have ongoing programs and budgets in support of government programs including the 13<sup>th</sup> FYP and NFSP.
- National government institutions including the Ministry of Agriculture and Livestock (MoAL) and its Department of Agriculture (DoA) and Department of Livestock (DoL), the Department Agriculture Marketing and Cooperatives (DAMC) and the Bhutan Food and Drug Authority (BFDA) under the Ministry of Health (MoH). The MoAL has the national mandate for food systems transformation and food security.
- Private sector actors that add value to commodity value chains.
- Existing and planned projects:
  - A planned Green Climate Fund (GCF) project - *Transforming Bhutan's Water Sector with Climate Resilient River Basin Management* - (USD 37.7 m) that will cover the same *dzongkhags* as the GEF project. The GEF project will benefit from the GCF project activities that improve water infrastructure and watershed management. The project will draw on this project's hydrometeorological and agrometeorological information systems and capacity building.

<sup>9</sup> Note that Merak and Sakteng *Gewogs* are within Sakteng Wildlife Sanctuary (SWS - 74,246 ha) in Trashigang *Dzongkhag* which includes the easternmost temperate and alpine ecosystems of Bhutan and is home to globally threatened wildlife species including red panda (*Ailurus fulgens* – Endangered [EN]), tiger (*Panthera tigris* – EN), and musk deer (*Moschus leucogaste* - EN) as well as 41 species of rhododendron. It is also the home of the *Brokpa* people, a group of semi-nomadic herders. Accordingly, specific safeguards have been included in the project's ESMP and SEP.

- The USD 44.4 m GCF project - *Supporting Climate Resilience and Transformational Change in the Agriculture Sector in Bhutan* which promotes climate resilient agricultural practices into water and land management to support smallholders.
- The USD 8 m *Food Security and Agriculture Productivity* (FSAPP), funded by Global Agriculture and Food Security programme (GAFSP), which aims to raise agricultural output through improved irrigation, water management, farm mechanization, and adoption of agriculture production technology.
- The USD 28.9 m *Building Resilient Commercial Smallholder Agriculture* (BRECSA) funded by IFAD/GAFSP which operates in central Bhutan and aims to increase in resilient commercial agricultural production and improve food and nutrition security.
- The Commercial Agriculture and Resilient Livelihoods Enhancement Programme (CARLEP) operating in the six eastern *dzongkhags* until December 2025. It aims to facilitate the transformation of a subsistence-based rural agricultural economy into a sustainable value chain and market driven productive sector by promoting climate smart approaches in agriculture and strengthening capacities of communities and local institutions.
- The Euro 13.5 million Multi-Indicative Program (2021-2027) on Promoting Inclusive, Sustainable, and Resilient agrifood Systems in Bhutan’ programme funded by EU which operates at national scale aims to promote sustainable agriculture-food systems through green economic growth opportunities to help ensure food and nutritional security, manage natural resources sustainably and combat climate change.

## B. PROJECT DESCRIPTION

### Theory of change and detailed description of project components

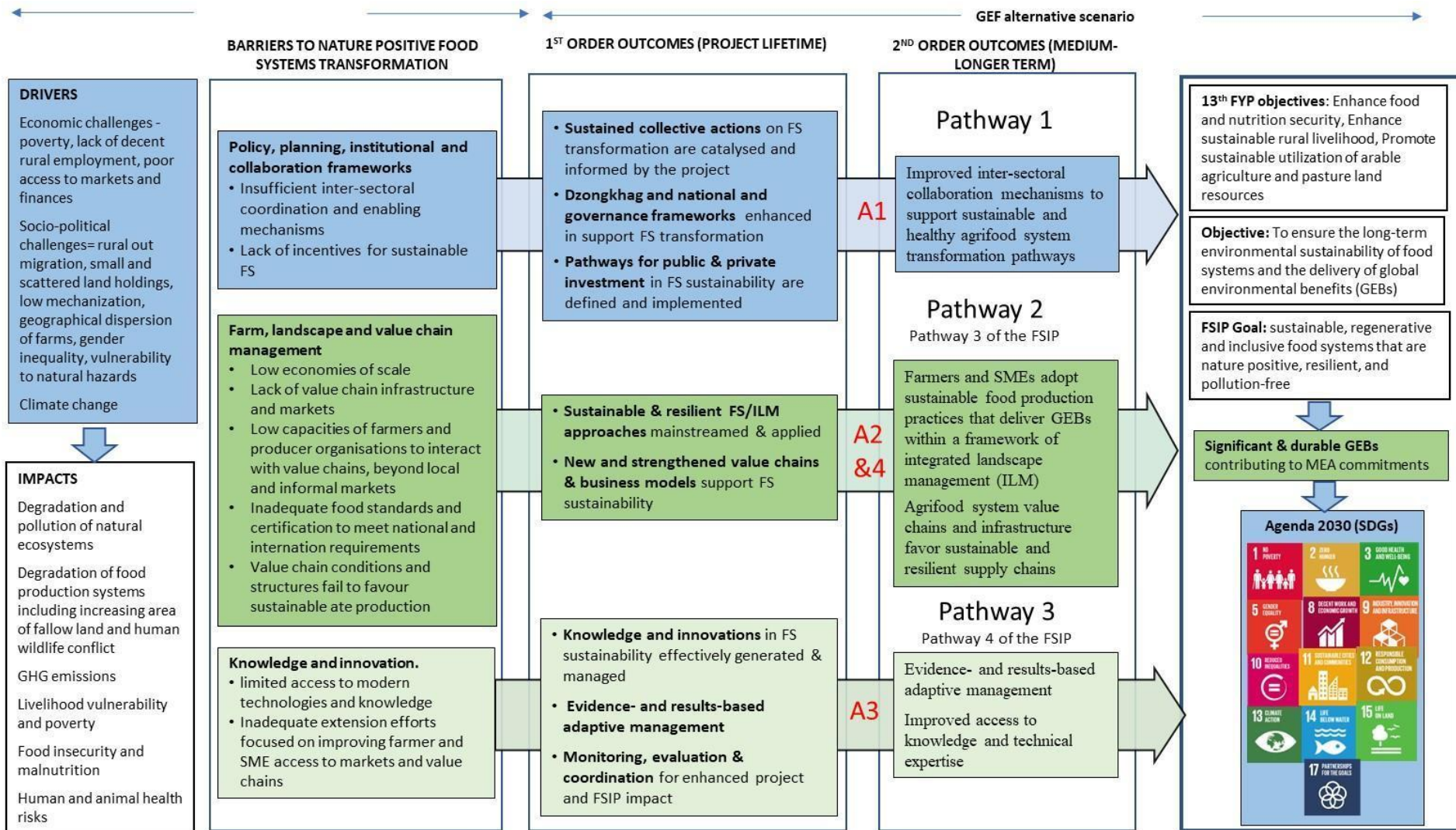
The Project's theory of change (ToC) focuses on three key areas:

- 1) **Improved enabling conditions** will provide incentives for food systems transformation, conserving biodiversity and enhancing climate resilience (Component 1). The pathway to achieve this involves identifying gaps and challenges with current enabling conditions, including policy, laws, and institutional arrangements and using this information in multi-sectoral dialogues aimed at improving coordination and cooperation between stakeholders. This element of the ToC supports the FSIP Pathway 1 and links to the FSIP Global Coordination Project (FSIP-GCP) Component 1.
- 2) **Integrated approaches, nature-based solutions (Nabs) and improved agrifood system value chains, infrastructure, finance and markets will enable the transformation of food systems** (Component 2) will involve improving management practices, value chains and markets that together provide incentives for farmers and other community stakeholders to manage agrifood systems to protect forests, rangelands and wetlands, including by adopting Nature based Solutions (Nabs) within a framework of Integrated Land Management (ILM). The pathway to achieve this will involve a) promoting sustainable production practices and conservation of natural systems including rangelands, by adopting ILM and climate-smart practices, b) improving agrifood system value chains, and infrastructure including through public-private partnerships (PPPs) that reduce the environmental footprint of agriculture and promote markets that favor environmentally sustainable production while improving nutrition, generating employment, and engaging women and youth, and c) building capacity of SMEs to focus on sustainable agricultural production. This element of the ToC supports FSIP Pathway 3, and links to FSP-GCP Component 3.
- 3) **Improved access to knowledge and innovative practices** will provide evidence for results-based **adaptive management** and scaling up of project outcomes (Component 3). The pathway to achieve this involves ensuring that lessons are captured and shared and that systems for monitoring, evaluation, learning, and adaptation are useful to a broad range of stakeholders. This element supports FSIP Pathway 4, and links to FSP-GCP Component 4. (see Figure 2)

The Project's ToC takes into consideration the four system transformation levers of the GEF-8 and is consistent with the GEF8 Programming Directions in that it i) applies a whole food system approach, ii) addresses drivers, iii) promotes enabling frameworks to underpin food system transformation, iv) enables integrated management of landscapes, v) engages public and private sector actors in value chain and financial sectors and vi) supports inclusive participation from stakeholders.

The project's interventions are expected to lead to outcomes in which the environmental sustainability of agrifood systems is enhanced through improved coordination and adoption of Nabs, while empowering farmers, communities, and value chain actors, including through PPPs, to adopt climate-smart, gender-responsive, and nature-positive agricultural practices, technologies, and value chains.

**GEF incremental support** will focus on operationalizing relevant elements of the 13<sup>th</sup> FYP and the NFSPs, building on the existing policy and baseline investments, including the proposed GCF project - *Transforming Bhutan's Water Sector with Climate Resilient River Basin Management* - that will be operating in the same locations. This will enable greater environmental sustainability in food production by reducing the environmental footprint of agriculture and supporting community resilience.



**FIGURE 2 THEORY OF CHANGE**

The overall assumption of the project is **if** barriers can be addressed and risks to transformative food systems pathways mitigated, **then** Bhutan will be able to achieve a sustained increase in food self-sufficiency, accelerate commercialization and enterprise development and maintain environmental sustainability through gender responsive, climate-smart and disaster-resilient development. Sub-assumptions include:

- **Assumption 1:** Improved collaboration, planning and investment prioritization between sectors will enable (i) improved delivery of the food systems transformation pathways and (ii) more effective management of trade-offs and negative effects on the environment.
- **Assumption 2:** Farmers are willing and able to produce food using Nabs and ILM approaches that combine environmental sustainability with enhanced productivity and nutritional value because:
  - NbS and ILM practices generate efficiencies, increase productivity, and improve agricultural product quality and access to markets.
  - Consumer behavior, markets and food value chains provide farmers with incentives producing environmentally sustainable, gender-responsive and nutritious foods.
  - Farmers have improved access to social protection systems (including insurance schemes) that encourage investment in sustainable production.
- **Assumption 3:** Enhanced awareness and sharing of knowledge and innovations will strengthen environmentally sustainable food system transformation.
- **Assumption 4:** Options for climate resilient livelihoods based on Nabs are viable under future climate scenarios. Technology, infrastructure and approaches will be climate resilient.

The project emphasizes securing GEBs, contributing to SDGs 1, 5, 13, and 15, and to the targets of the Kunming-Montreal Global Biodiversity Framework, particularly *effective conservation and management of at least 30% of the world's lands, inland waters, coastal areas and oceans, reducing to near zero the loss of areas of high biodiversity importance, and mobilizing by 2030 at least US\$200 billion per year in ... biodiversity-related funding.*

The results-based implementation plan will be implemented in accordance with:

- The conditions of the ESMP- Should geographic locations (*gewogs* and sites already identified within *gewogs*) or activities change, then the relevant elements of the ESMP will need to be updated and such activities shall not proceed until the plan is updated. The project will apply FPIC to project activities planned for the *Brokpa* community in Merak and Sakteng *gewogs*.
- The Stakeholder Engagement Plan.
- The Gender Action Plan. A gender responsive approach will be applied, informed by gender-disaggregated data. The project includes gender specific training and will require project partners to undertake effective consultation with women, and youth, about proposed interventions.

**Component 1. Supportive enabling conditions for sustainable and healthy food systems** – addresses the barrier of *policy, planning, institutional and collaboration frameworks*, the GEF-8 transformation lever on governance and policies, and the FSIP Pathway 1 by improving the implementation of plans, policies, and regulations, and management of trade-offs to support food systems transformation. Bhutan has comprehensive policies related to food systems, but there is insufficient inter-sectoral coordination for implementation, particularly at *dzongkhag* level. Accordingly, **the component focuses on improving inter-sectoral collaboration mechanisms** and through this, aligning policies, regulations, and investment across sectors, towards cohesive decision-making for sustainable agrifood systems.

**Outcome 1.1: Improved inter-sectoral collaboration mechanisms to support sustainable and healthy agrifood system transformation pathways** - focuses on the establishment and strengthening of inter-sectoral collaboration at the national level and improving agrifood system decision making and farm standards and certification. The outcome will identify the need for improved policies, regulatory, planning and investment mechanisms, contributing to the transformation and environmental sustainability at farm, landscape and value chain levels. The outcome seeks to improve farm standards and certification processes. By improving inter-sectoral collaboration, decision making and standards, the outcome seeks to support an environmentally sustainable, inclusive and gender-responsive, climate-smart and healthy agrifood system.

**Output 1.1.1: Policies, plans, regulations, and investment guidance harmonized to promote sustainable food systems.**

Food systems are inherently complex and interconnected, involving agriculture and numerous other sectors. Harmonization within and between sectors reduces redundancy and conflicts, making governance structures more efficient and coherent helps reduce bureaucratic obstacles and improves implementation.

This output focuses on improving inter-sectoral coordination and enabling mechanisms for implementing the 13<sup>th</sup> FYP and promoting cohesive food system governance and coordination, notably at national and *dzongkhag* levels. It will assess the environmental, social, and economic impacts of current agricultural and livestock input supplies to inform a shift towards sustainable resilient food systems. This output supports NFSP 8, and the 13<sup>th</sup> FYP's need to enhance the coordination of information sharing between national agencies and local governments. Activities to deliver this Output include:

1.1.1.1: Establish a multi-stakeholder national forum for cohesive food system governance and coordination that fosters collaboration, drives systemic change and advances sustainable practices within food systems.

1.1.1.2: Evaluate the impact of relevant policy instruments within a strategic environmental assessment (SEA) framework and enable data-driven and evidence-based decision-making for the transformation of food systems.

**Targets:** A functional national inter-sectoral coordination forum for food system transformation. Two environmental, social and economic impact reports on agriculture and livestock input supply.

**Project partners:** PPD, DoA, DoL, all six *dzongkhags*, ARDC Wengkhari, Ministry of Finance

**Relevant projects/programs:** CARLEP, BRECSA

**Co-financing agencies:** PPD, BFDA

**Output 1.1.2: Standards and certification developed to meet export market requirements for sustainable agricultural products**

Food Safety Standards, Sustainability Standards, Quality Assurance Standards and certification, supported by innovative tools that use advanced technologies, can improve quality, safety, and efficiency within the food system and reduce the environmental impact of food production.

This output aims to enhance brand visibility, improve market linkages, ensure compliance with food safety standards for Bhutanese agrifood production and products, and strengthen Bhutan's position in global markets, providing incentives for environmentally sustainable agriculture.

The existing Agriculture Marketing Information System (AMIS) and Agricultural Commodity Marketing Initiative (ACMI) will be made more functional, dynamic, interactive, and user-friendly, thereby improving stakeholders' access to digital tools.

Awareness will be raised amongst local communities, farmers and producers on the importance of on-farm biosecurity measures and phytosanitary certification. Training on biosecurity protocols and International Standards for Phytosanitary Measures (ISPM) will enable exports of Bhutan's agricultural products that are environmentally sustainable and meet international food safety standards.

Strengthened biosecurity standards for livestock and poultry will enhance productivity and reduce disease outbreaks, thereby mitigating the likelihood of disease transmission between wildlife and poultry.

Demonstration of certification processes for cage free eggs, quinoa, buckwheat and asparagus will include preliminary inspections at target sites, farm audits to assess adherence to Good Agricultural Practices (GAP) standards, surveillance audits to ensure ongoing compliance and testing water, soil, and produce to verify quality and safety.

Capacity building of the certification body will improve the potential for efforts to be sustained after the project. This includes training of inspectors and auditors on international standards, strengthening capacity of the National Food Testing Lab (NFTL) to test agrifood products, and training of farmers, farmer groups, and cooperatives to meet the requirements of GAP and the Bhutan Organic Standards.

This output supports NFSP 8, and the 13<sup>th</sup> FYP's aim to enhance food and nutrition security for the country including the production of quality and safety of foods, and links to FSIP Component 1. Activities to deliver this Output include:

1.1.2.1: Participate in International Food Expos and conclaves to explore market demands, understand international standards, establish market linkages for premium Bhutanese agrifood products and position these products effectively for these markets (India, Bangladesh, the Middle East, Thailand, Singapore, and Australia).

1.1.2.2: Develop visuals, written content, and interactive tools highlighting the unique qualities, cultural heritage, and sustainable practices associated with Bhutanese agrifood products to improve brand visibility, drive consumer interest, and facilitate market entry.

1.1.2.3: Integrate biosecurity and phytosanitary certification into the broader framework of food system transformation to enable Bhutan's agricultural products to be competitive, sustainable, and aligned with international food safety standards.

1.1.2.4: Improve the functionality, interactivity, and user-friendliness of the existing Agriculture Marketing Information System (AMIS) and Agricultural Commodity Marketing Initiative (ACMI) and create widespread awareness for stakeholders to effectively utilize these systems and optimize agricultural marketing and decision-making.

1.1.2.5: Conduct research on post-harvest losses for two prioritized commodities to evaluate and recommend post-harvest management practices and solutions (storage, handling, and processing techniques) that enable reduced post-harvest losses, minimize waste and environmental impact and enhance resilience to climate variability.

1.1.2.6: Develop educational and communication materials (best practices for post-harvest handling and management of selected commodities) recommended from the research on post-harvest losses (1.1.2.5) for two prioritized commodities to minimize losses and achieve and enhance sustainable outcomes.

1.1.2.7: Initiate farm standardization and certification processes for cage-free eggs that demonstrate climate-smart and sustainable practices and minimize land degradation, and promote integrated pest management, energy and resource efficient production methods in collaboration with DAMC & BFDA.

1.1.2.8: Strengthen farm biosecurity standards for sustainable livestock production.

1.1.2.9: Certify cage free eggs based on international standards.

1.1.2.10: Certify quinoa, buckwheat and asparagus based on the Bhutan organic standard.

1.1.2.11: Develop and implement quality and sustainability as per specified standards for dairy milk, cage-free eggs and yak products

1.1.2.12: Support capacity building of the certification body to provide certification services for priority commodities/products as per the specified standards of target markets.

**Target:** Six international agrifood market standards assessments, three agrifood products certified for international markets

**Project partners:** DAMC, BFDA, DoL & DoA and all six *dzongkhags*.

**Relevant projects/programs:** CARLEP, BRECSA

**Co-financing agencies:** PPD, DoL, DAMC & BFDA

**Component 2: Transformation of food systems at farm, landscape and value chain levels** – Builds on the enabling conditions generated under Component One. It comprises three focused outputs designed to promote a transition to climate-resilient agrifood systems that generate farm, landscape and GEBs. It addresses the barrier of *farm, landscape and value chain management*, and links to the FSIP Pathway 3, using the GEF-8 transformation levers on innovation, financial leverage and multi-stakeholder dialogue. This component will support targeted farmers, communities, and value chain actors to adopt climate-smart, gender-responsive, and nature-positive agrifood production practices, technologies, and value chains for climate-resilient livelihood development.

It focuses on a two-pronged approach to using Nabs: i) supporting **semi-subsistence farmers** and herders to improve food security and implement sustainable land management practices; and ii) supporting farmers and SMEs that are focused on **commercial production** to mainstream environmental sustainability into food production and reduce Bhutan's dependency on food imports.

**Outcome 2.1: Farmers and SMEs adopt sustainable food production practices that deliver GEBs within a framework of integrated landscape management (ILM)** – includes activities that improve agricultural land and rangelands, reduce human-wildlife conflict (HWC) and deliver environmentally sustainable management of agricultural land using Nabs within a framework of integrated landscape management (ILM).

The outcome will encourage adaptive Nabs practices that can respond to changing environmental and socio-economic conditions, while enhancing the resilience of farming systems. The provision of quality inputs, to target farmers and SMEs for demonstration purposes, and thereafter inputs to be provided by the private sector, along with enhanced technical support will enable environmentally sustainable farming.

**Output 2.1.1: Sustainable food production and farming systems promoted within a framework of ILM**

Enhanced extension support will help farmers adopt ILM practices for long-term food security without depleting natural resources. The use of Nabs, including ILM and climate-smart agriculture (CSA) technologies, such as greenhouses with automated irrigation, gender-friendly agriculture, labor-saving technologies (mini-tiller, weeder, grass cutter), sustainable land development, smart irrigation, Integrated Pest Management (IPM), bioengineering, and introduction of improved breeds and seeds, will help minimize or avoid environmental degradation while enhancing crop and livestock productivity. This output supports the 13<sup>th</sup> FYP aim to promote sustainable utilization of arable agriculture and pastureland resources, and links to FSIP Component 1.

Support to the *Brokpa* community focuses on rangeland restoration, enhancement of sustainable fodder resources and mitigation of HWC. Activities will be consistent with the Sakteng Wildlife Sanctuary's Conservation Management Plan and comply with all specific safeguards contained within the project's ESMP. Activities will include interventions to restore and promote biodiversity-friendly and CSA using native fodder seedlings. Rangeland restoration activities in the highland areas aim to rejuvenate alpine grazing areas by providing quality fodder for livestock, creating clear paths for wildlife movement,

enriching wildlife habitat, and improving livestock quality. This will improve herding practices and conserve habitats for wildlife.

Climate smart dairy farming practices will be supported through improving herd quality and capacity building of dairy producer groups in improved climate-smart dairy management. Training will be provided by Community-Based Artificial Insemination Technicians (CAIT) on advanced AI technologies and traceability and digitization systems for improved National Dairy Information System (NDIS). The demonstration of climate smart livestock technologies that enhance livestock productivity and reduce GHG emissions include the use of rumen bolus feed supplements, educating farmers on Yak artificial insemination (AI) and setting up AI outreach stations for genetic improvement.

Commercial layer farms will be supported through the procurement of parent stock for Day Old Chicks (DOCs), supplying appropriate construction materials and automation of the farms to enable sustainable poultry farming to improve food security and reduce biosecurity risks.

Eco-innovate farms will focus on demonstrating environmentally friendly and climate smart approaches that mitigate HWC and reduce farm environmental footprints.

The output will assess smart wildlife pest repellent technologies and promote proven CSA technologies through ARDCs. Activities to deliver this Output include:

2.1.1.1: Implement rangeland restoration and enhance sustainable fodder resources to mitigate land degradation and strengthen the climate resilience of livestock farming systems.

2.1.1.2: Provide targeted inputs and materials to boost productivity of native poultry farming and enhance resilience against environmental and economic shocks.

2.1.1.3: Promote climate smart dairy farming practices for increased milk production and productivity.

2.1.1.4: Generate and promote innovative livestock technologies through R&D and support services, including CSA technologies.

2.1.1.5: Support commercial layer farms (3,000 bird capacity) for cage-free egg production and layer farms for food security.

2.1.1.6: Support the development of a demonstration Eco-innovate farm with youth in Khaling by supporting the farm with human-wildlife conflict mitigation measures, protected agriculture, water efficient practices and small scale mechanization.

2.1.1.7: Support sustainable land development and efficient utilization of agricultural land.

2.1.1.8: Support innovative research to generate and promote agriculture technologies for addressing land degradation, HWC management and climate adaptation, including climate-smart agriculture (CSA).

2.1.1.9: Scale up gender-responsive and climate-smart agriculture technologies (AgriTech Farms) including protected agriculture (greenhouses), Integrated Pest Management (IPM), and Integrated Insect Pest and Nematode Management (IIMPAN) that reduce environmental footprint.

2.1.1.10: Enhance the quality of planting materials through replacement of potato seeds with improved certified varieties.

**Targets:** 23,735 ha of landscapes under SLM (Core Indicator 4.3). 33,260 ha of under grazing (*Tsamdrog*) management plans/guidelines. 564 ha of rangeland restoration. 405 ha of pasture/fodder developed in dryland agriculture areas through agro-silvopastoral interventions. 84,419 farmers trained in rangeland, restoration, fodder resource development and sustainable agriculture.

**Project partners:** DoL, DoA, NLCS & all six eastern *Dzongkhags*

**Relevant projects/programs:** Supporting Climate Resilience and Transformational Change in the Agriculture Sector in Bhutan (GCF); Promoting Inclusive, Sustainable, and Resilient agrifood Systems in

Bhutan' programme (EU), Adaptation to Climate-induced Water Stresses through Integrated Landscape Management in Bhutan, CARLEP, BRECSA, BFL.

**Co-financing agencies:** DoL, DoA & six eastern *Dzongkhags*.

**Outcome 2.2: Agrifood system value chains and infrastructure favor sustainable and resilient supply chains** – is focused on *gewogs* with high production and marketing potential. It targets smallholders and SMEs, including farmers, aggregators, transporters, and processors. It aims to encourage private sector engagement that brings in expertise, innovation, and technology to enhance production efficiency, particularly through mechanization and automation to create an enabling, gender-responsive environment for sustainability and competitiveness by leveraging public-private partnerships. It will encourage PPPs that invest in agrifood system infrastructure, including storage facilities and transportation networks, that improve the overall efficiency of the supply chain, reduce post-harvest losses and promote Nabs and ILM.

The outcome includes support for Primary Aggregation Centers (PACs), establishment of links with domestic, regional, and international markets and development of Integrated Processing Centers/Eco-hubs within a network of PACs. The eco-hubs will provide support services, digital technologies, and collaboration opportunities with certification agencies, agrifood standards, and producers with a view to accelerating environmentally sustainable production, marketing and trade.

PACs will function as primary aggregation points for basic processing activities before transporting agricultural produce to the eco-hub. The eco-hubs and private processing firms will establish production facilities and collaborate with entities such as Farm Machinery Corporation Limited (FMCL) and commercial farms to secure a steady supply of raw materials.

**Output 2.2.1: Public-private partnerships support investments for sustainable and resilient agricultural value chains that engage youth and are gender responsive**

This output focuses on engaging the private sector in sustainable agrifood systems to promote gender-responsive, environmentally sustainable food systems. It will encourage private investments that drive innovation, enhance productivity, and create jobs, contributing to overall economic development. It will demonstrate how environmentally sustainable agrifood and livestock systems can be achieved through efficient supply chain management, traceability (see Component 1), reduced waste, and optimized resource use, leading to cost savings and better product quality. The output will support enterprise development, refrigerated transport systems, processing, value addition and product innovation through the provision of appropriate equipment, facilities and capacity building.

The output includes supporting farmer and youth groups to supply food to Gyalsung academies<sup>10</sup> and the Gelephu Mindfulness City, including by supplying a refrigerated van to the Samjong Youth Cooperative in S/Jongkhar. Both the Gelephu Mindfulness City and the Gyalsung academies provide substantial potential markets for farmers in the project's targeted area. In addition, institutionalizing supplies of agrifood to schools, institutions and hospitals will involve the development of productive alliances, and offtake agreements.

To improve sustainability and upscaling, capacity development on enterprise development and agribusiness management will involve training of trainers (Districts Economic Development and Marketing Officers, Agriculture and Livestock Extension Officials) as well as farmers, youth groups, cooperatives, and entrepreneurs on enterprise and agribusiness management, specialized training to farmers on packaging technologies.

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<sup>10</sup> Gyalsung academies provide Bhutan's mandatory National Service training to all Bhutanese youth. There are two academies in the project target area - Bondeyma Academy in Mongar *Dzongkhag* (housing around 1000 Gyalsars [students]) and Pemathang Academy in Samdrupjongkhar *Dzongkhag*. (housing around 4,600 Gyalsars). The Gelephu Mindfulness City is a special administrative region that is being developed in south-central Bhutan.

The output will enable PPP-based investments through the development of Request for Proposals (RFPs) inviting investments in environmentally sustainable, integrated food system value chains. It will document lessons and best practices from pilot interventions related to environmentally sustainable food logistics, aggregation, cold chains, and product development, and use these insights to create the RFP documents that define sectors and engagement modalities for private sector participation in environmentally sustainable food system enterprises that reduce environmental footprints and post-harvest losses. Activities to deliver this Output include:

2.2.1.1: Provide capacity development on enterprise development and agribusiness management (post-harvest management, value addition, packaging, labeling, branding and certification).

2.2.1.2: Establish and strengthen farmer groups including youth groups, and cooperatives to enable them to supply four Gyalsung academies (vegetables, dairy, and livestock products), Gelephu Mindfulness City and export markets (asparagus, broccoli, chili, quinoa).

2.2.1.3: Institutionalize supplies of agrifood to schools, institutions (Monastic and Education) and hospitals.

2.2.1.4: Prepare a master plan for the utilization of existing cold storage and warehouse facilities within the value chain across the six eastern *dzongkhags* and develop additional facilities to enhance aggregation and marketing efficiency.

2.2.1.5: Develop request for proposals (RFPs) for integrated food system value chain based enterprises for private sector investments drawing on lessons from pilot interventions under output 2.2.2.

**Targets:** 1,610 women and men trained in agri-business and enterprise management. A master plan developed for the utilization of existing cold storage and warehouse facilities. Lessons from private sector engagement on food logistics, aggregation, cold chains, and product development documented. RFP documents developed.

**Project partners:** DAMC & all six eastern *Dzongkhags*

**Relevant projects/programs:** FSAPP, BRECSA

**Co-financing agencies:** DAMC & all six eastern *Dzongkhags*

**Output 2.2.2: Agrifood value chain enterprises promote environmentally sustainable, resilient and gender responsive agricultural and livestock products**

This output promotes value chains that enhance the resilience of food systems to climate variability and extreme weather events, reduce environmental footprints, improve biosecurity and ensure consistent food production and supply chains. It will build the resilience of value chains so that communities can better withstand and recover from natural disasters, HWC, economic shocks, and other disruptions. It supports crop diversification, conservation agriculture, and integrated pest management. The output will consider the lessons provided in the FAO publication *Managing risks to build climate-smart and resilient agrifood value chains*<sup>11</sup> as well as from other projects and government programs.

The output will encourage the development of gender-responsive, environmentally sustainable value chains that empower women by actively including women in decision-making processes and ensuring equal access to resources, training, and opportunities. Environmentally optimized and gender-responsive value chains will support national and international policy goals, including the SDGs, particularly SDG 2 (Zero Hunger), SDG 5 (Gender Equality), and SDG 13 (Climate Action). The output will

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<sup>11</sup> FAO. 2022. Managing risks to build climate-smart and resilient agrifood value chains. The role of climate services. Rome. <https://doi.org/10.4060/cb8297en>

- Set up a Yak dairy product processing enterprise at Merak/Sakteng and revive the juice processing plant at Shumar, Pemagatshel to foster entrepreneurship for environmentally sustainable agrifood production and processing capacity.
- Assess options for product development and certification in six *dzongkhags* for unique products (such as Geographical Indication and Geographical Indication for Economic Sustainability) to enhance local product offerings and promote environmentally sustainable food systems.
- Set up Integrated Aggregation Centers (IAC) for i) Potatoes, Quinoa, and Maize to improve supply chain efficiency and market access for farmers; ii) for dairy products and eggs in Deothang; expand the IAC in Lingmithang; and establish a refrigerated transport enterprise that ensures perishable products reach markets in optimal condition and reducing spoilage.
- Promote Total Mixed Ration (TMR) dairy feed to reduce GHG emissions and grazing impacts on natural systems.
- Establish milk collection centers equipped with chilling facilities, and milk quality testing equipment. Enhance the value chain for Langchenphu broiler farm by installing blast freezers and cold storage facilities; Yak Fiber Processing Equipment in Merak and Sakteng and training of farmers in high-end yak fiber processing techniques; and set up egg sorting, grading equipment and training of field staff in grading, packaging, and branding cage-free eggs to increase market appeal.
- Support the branding, packaging, and design for local products.

The output supports NFSP 2 and the 13<sup>th</sup> FYP objectives to enhance food and nutrition security and to enhance sustainable rural livelihoods. Activities to deliver this Output include:

2.2.2.1: Support the establishment of enterprises to pilot entrepreneurs/private sector/youth/community based entities to enable them to engage in sustainable agrifood value addition and logistics.

2.2.2.2: Support value added and unique agrifood product development in each target *dzongkhag* (yak fibre products, buckwheat tea, buckwheat noodle, Urka Bangala [chili] products).

2.2.2.3: Demonstrate modalities of private sector engagement through the establishment of Integrated Aggregation Centers (IAC), improve transport logistics, and provide vacuum packaging machines and packaging materials.

2.2.2.4: Support low-cost feed formulation technology that enables use of local raw materials and reduces GHG intensive imports for dairy.

2.2.2.5: Strengthen the integration of dairy and poultry supply chains.

2.2.2.6: Establish two market outlets for sale of products developed with high standard display shelves.

2.2.2.7: Develop branding and packaging design of the products developed in the six eastern *dzongkhags*.

**Targets:** seven environmentally sustainable enterprises on agrifood value addition and logistics established.

**Project partners:** DAMC, DoL, all six eastern *Dzongkhags*, Private sector entities

**Relevant projects/programs:** CARLEP, FSAPP, BRECSA

**Co-financing agencies:** DoL, DoA, DAMC & all six eastern *Dzongkhags*

**Component 3 Adaptive management and knowledge** - addresses the barrier of *knowledge and innovation*, and the FSIP Pathway 4. It focuses on providing agrifood system actors access to knowledge on sustainability, and that project-generated knowledge is effectively disseminated and opportunities for scaling up are captured, including through the FSIP and other international platforms. The project will link closely with the FSIP-GCP and collaborate on capacity development and technical support needs. It will report to the GCP on standardized programme-wide indicators, gather and share information on lessons learned and participate in IP governance to exchange knowledge and shape global policy agendas.

**Outcome 3.1: Evidence- and results-based adaptive management** is focused on improving access to agrifood system information including through a science, technology, and information (STI) based national food system dashboard and an e-pest and diseases surveillance system. The dashboard will provide MoAL with a monitoring system to track the performance of components of the food system. The outcome will examine the feasibility of establishing the dashboard as a user-friendly geospatial portal based on an on-premises- or cloud-server, providing access to agrifood system, land use, environment, socio-economic and infrastructure information.

**Output 3.1.1: Monitoring mechanism optimize effective, efficient and results-based adaptive management of agrifood system transformation.**

This output is focused on providing real-time information to farmers and decision makers to support the adaptive management of the agrifood system. Adaptive management employs a dynamic approach that adjusts strategies based on ongoing learning and feedback from the monitoring mechanism.

The development of a national food system dashboard will provide the MoAL with a system to track the performance of various components of the food system. The feasibility of setting up the dashboard as a user-friendly geospatial portal based on an on-premises- or cloud- server that provides access to agrifood system, land use and infrastructure information, will be examined through this output.

The establishment of an e-pest surveillance system within the existing agrometeorological system will improve the management of pests and diseases by providing real-time data and advisory services to farmers. Activities to deliver this Output include:

3.1.1.1: Design and develop a science, technology, and information (STI) based national food system dashboard to serve as an overall monitoring system for the MoAL to track the performance of various components within the food system and offer a cohesive interface for all stakeholders.

3.1.1.2: Strengthen the e-pest and diseases surveillance system to improve management of pests and diseases, providing real-time advisory to farmers

**Targets:** National food system dashboard and an e-pest and diseases surveillance system operating and providing real-time advisory to farmers.

**Project partners:** PPD, DoA & all six eastern *dzongkhags*.

**Relevant projects/programs:** CARLEP, FSAPP, BRECSA

**Co-financing agencies:** DAMC

**Outcome 3.2: Improved access to knowledge and technical expertise** focuses on implementing a knowledge management strategy that will help stakeholders scale up and sustain food system transformation efforts beyond the project. This will involve establishing mechanisms for sharing knowledge and innovation, including within and between *gewogs* and *dzongkhags*, at national level as well as within the Asia Pacific region and globally. The outcome will promote information sharing through the integration of monitoring, evaluation and learning systems with the FSIP-GCP platform. This will include systematic capture and sharing of information with other landscapes and FSIP projects, including through South-South learning. It will maintain effective links with FAO in relation to agrifood systems, including (i) FAO resource hubs, and (ii) FAO platforms on crops. It will also support links to regional and global hubs/resources on agrifood systems and landscape management including the FSIP-GCP.

**Output 3.2.1: Linkages to national, regional and global hubs/resources on sustainable agrifood systems and integrated landscape management established, enabling the management and exchange of knowledge and the stimulation of innovation and behaviour change**

Knowledge and skills will be developed to promote ILM practices. Farmers will be supported to adopt market-based approaches to increase productivity, reduce losses, and enhance product quality to meet

market standards. Knowledge exchange and collaboration will incorporate good practices and lessons learned on gender mainstreaming/women's empowerment and be gender responsive as well as ensure compliance with the Project's Stakeholder Engagement Plan.

Annual buyer-seller events will be organized in the eastern region and a bi-annual Agri-Business Conclave/Food Festival/Fair/Expo will be held in Samdrupjongkhar *Dzongkhag*. This will feed into the national level biennial Bhutan AgriFood Trade Investment Forum (BATIF) to leverage opportunities for investment in environmentally sustainable Agrifood Systems.

Extension staff and regulatory officials will be trained in ILM, CSA and precision farming, Integrated Pest Management (IPM), and pest diagnosis. Manufacturers and testing staff will be trained in food safety and licensing for Food Business Operators based on ISO IEC 17020:2012 standards and safety licensing process ISO IEC 17020:2012. This output supports NFSP 5 and FSIP Component 4. Activities to deliver this Output include:

3.2.1.1: Organize knowledge exchange and networking programs for agrifood systems value chain actors to facilitate the sharing of best practices, and innovative solutions for compliance with market standards including visits to institutions and farms in southern and western Bhutan.

3.2.1.2: Organize annual Food Systems and Agri-Business Conclaves, featuring investment opportunities in the agrifood sector, fostering networking between buyers and sellers and facilitating technology transfer and knowledge exchange, innovation and sustainable solutions for the agrifood system.

3.2.1.3: Conduct capacity-building programs for local officials and communities on modern farming techniques and quality control measures aligning with market standards and requirements and sustainable agricultural practices.

3.2.1.4: Train farmers on use of high-quality seeds, appropriate soil fertility practices, integrated pest and disease management, and efficient water management to promote environmentally sustainable practices for resilient food system.

3.2.1.5: Train Community Resource Persons (CRPs) as local agents to facilitate behavior change towards market-oriented production and post-harvest handling of agro-food products.

3.2.1.6: Represent and participate in IP governance mechanisms and at regional and global food system network/forums for knowledge sharing

**Targets:** 15 knowledge products. 5 Food Systems and Agri-Business Conclaves. 115 Community Resource Persons trained. Knowledge exchange and collaboration linkages to the FSIP-GCP and other FSIP countries established.

**Project partners:** PPD, DAMC, DoA, DoL, BFDA, NLCS & all six eastern *dzongkhags*

**Relevant projects/programs:** CARLEP, FSAPP, BRECSA

**Co-financing agencies:** DAMC

### STAKEHOLDER ENGAGEMENT

Key stakeholders to be engaged in the project include:

- Two distinct groups of farming communities:
  - Subsistence and semi-subsistence farmers to improve food security and nutrition. (Whilst these farmers do engage in markets, food system transformation actions will differ from actions directed towards farmers that are already well oriented to markets).

- Market-oriented farmers, and their commodity-based groups and cooperatives, with a view to building capacities at the local and landscape levels and linking these enterprises to local, national and international markets.
- Relevant sectoral agencies at the *dzongkhag* level – Departments of Agriculture (including Irrigation), Livestock, Forestry and Agricultural Research and Development.
- National government institutions including the DoA, DoL, DAMC and BFDA.
- Private sector actors, including commodity-based groups and cooperatives (input providers, producers, aggregators, processors, traders, manufacturers, food companies and the finance sector).

### PRIVATE SECTOR INVOLVEMENT

Private sector engagement in Bhutan's agricultural sector remains constrained by the dominance of government agencies and disparities in support systems. Challenges including limited market access and inadequate infrastructure, particularly in remote areas. Nevertheless, the RGoB recognizes the indispensable role of private sector engagement in achieving its objectives of sustainable agriculture, rural development, and private sector participation in the agrifood sector.

To foster private sector participation, conducive regulatory environments, streamlined business procedures, and financial support are essential.

While government support has been crucial in transitioning to a semi-commercial farming model, persistent challenges remain, particularly for remote farmers. Private sector involvement, alongside strategic interventions from the government, is essential to address these challenges effectively. Fortunately, Bhutan's agrifood industry is witnessing the emergence of passionate entrepreneurs and startup agribusinesses, offering significant opportunities in aggregation, transport, storage, processing, and marketing.

Smallholders and SMEs, including farmers, aggregators, transporters, and processors, will be linked to the project to foster economic empowerment and social development within rural communities.

The private sector will be encouraged to engage in the transformation of food systems through enterprise development, technology adoption and partnerships in project-supported value chain enterprises and to create an enabling environment for growth and competitiveness including through public-private partnerships (PPP) that align with national priorities. This will be pursued through constructive dialogue, collaboration, and continued engagement to further build confidence and deepen partnerships.

Input providers, producers, aggregators, processors, traders, manufacturers, food companies and the finance sector will be engaged to:

- Identify options for scaling up targeted crop and livestock production and value chains that incorporate environmental sustainability considerations.
- Adopt tools and standards, including digital tools and technology for production, marketing and value addition, to create economies of scale and improve access to markets for environmentally sustainable production.
- Strengthen farmer cooperatives, and farmer and industry associations for environmentally sustainable production.
- Support vulnerable farmers to apply environmentally sustainable farming systems.

### INNOVATION & TRANSFORMATIVE CHANGE, KNOWLEDGE MANAGEMENT, POLICY COHERENCE AND CAPACITY DEVELOPMENT

**Innovation:** The project will introduce appropriate innovative technology, and mechanisms as follows:

- Enhanced national agriculture extension systems with digital tools for production, marketing, value addition and monitoring (dashboard), in accordance with environmental sustainability.
- Nature-based Solutions (Nabs) to enhance agroecosystem resilience. This will include promotion of environmentally sustainable management of farms and protection of rangelands through climate-smart practices to enhance the conservation of biodiversity and delivery of ecosystem services. This approach will enable local stakeholders to adopt Nabs approaches for farming systems that generate GEBs.
- Local value chain support to women- and youth-led initiatives and sustainable businesses.
- Improved linkages within the private sector that enable small farmers and their commodity organizations to de-risk the agrifood sector, and benefit from incentives for generating environmental benefits, diversify farms and crops, manage HWC and adapt to climate change.
- Cross-sectoral implementation of plans, policies and regulations at district and sub-district levels.

The project's knowledge management strategy is described in section E.1 *Knowledge management and Communication*.

Following the successful implementation of the project, farmers will be applying agrifood systems that combine yield improvements and profitability with environmental sustainability, resulting in the protection of environmental values of global importance while contributing to the reliable and affordable supply of nutritious food and the substitution of food imports.

The project will proactively promote the participation of women, in accordance with the project's gender action plan (GAP) and specific requirements indicated in relevant outcomes. The project's components are briefly described below and in greater detail in Annex E.

To optimize the potential for scaling up and sustainability, the project will:

- Promote i) sustainable and regenerative agriculture of important food crops whose current production results in negative environmental impacts (cereal (quinoa, buckwheat and maize), vegetables (asparagus, beans, broccoli, cauliflower, chili and tomato), and potato), and ii) environmentally sustainable livestock management (poultry and dairy) to reduce environmental footprint and improve biosecurity.
- Develop tools and standards, including digital tools and technology, for production, marketing, and value addition, to create economies of scale and improve access to markets for gender-responsive, environmentally sustainable production.
- Strengthen farmer cooperatives, and farmer and industry associations that support Nabs and ILM, with an emphasis on youth and women-led initiatives.
- Enhance resilience and promote gender-responsive agrifood system options that conserve biodiversity, are climate resilient, and mitigate land degradation.
- Equip stakeholders with processes and data that enable the identification and management of tradeoffs leading to improved outcomes for biodiversity and ecosystem services.
- Promote compatibility between sustainable and profitable production and dietary/nutrition needs.

### **B1. Institutional arrangements and coordination with other initiatives and projects**

The project will employ an integrated approach that aligns with the FSIP-GCP and its Tock.

**TABLE 1 PROJECT INTERVENTIONS LINKED TO THE GEF8 FOOD SYSTEMS INTEGRATED PROGRAM**

GEF-8 Food System IP Components	Project specific interventions
Strengthened enabling environment to catalyze FS transformation at global, regional and national levels	Through multi-stakeholder processes: <ul style="list-style-type: none"> <li>• Support harmonization of national and <i>dzongkhag</i> policies and regulatory mechanisms to enable data-driven and evidence-based decision-making for the transformation of food systems.</li> <li>• Strengthen national and <i>dzongkhag</i> governance frameworks for fostering collaboration and partnerships across stakeholders.</li> </ul>
Improved and increased financing deployed in support of food system transformation	Promote sustainability standards with the improvement of value chains and public-private partnerships that generate market incentives and provide improved access to finance for farming systems while delivering environmental and livelihood benefits. Stimulate investment in Nabs to improve farm management and conserve biodiversity and agrifood system diversity. Support the development of targeted commodities.
Environmental benefits leveraged through sustainable management of food systems and landscapes in target countries	Promote gender responsive, climate-smart, and regenerative production practices through improved extension services and on-farm technology that enable farmers to sustainably increase productivity and generate environmental and livelihood benefits.
Knowledge, innovation and M&E	Promote knowledge sharing at national, regional and global levels through relevant platforms.

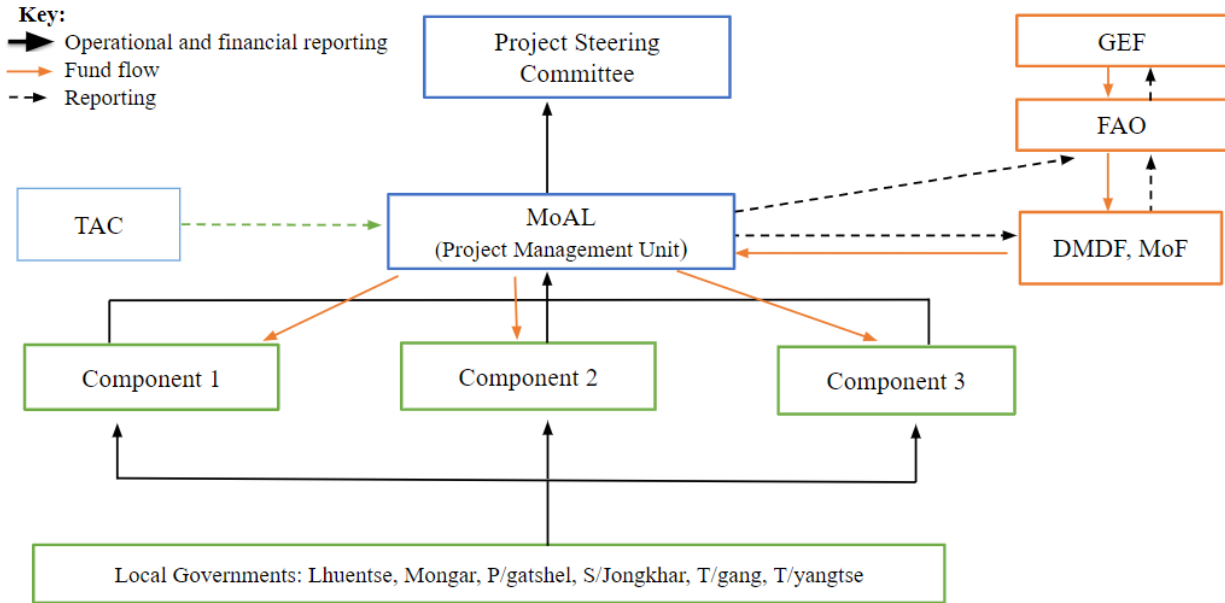
The project will promote opportunities to share information through the integration of the monitoring, evaluation and learning systems with the FSIP-GCP platform. This will include the systematic capture and sharing of information with other landscapes and regional cooperation, including through South-South learning, technical exchanges, intergovernmental cooperation, and participation in knowledge platforms.

MoAL will act as the lead executing agency and will be responsible for the day-to-day management of project results entrusted to it in full compliance with terms and conditions of the Operational Partnership Agreement signed with the FAO<sup>[1]</sup>. As Operational Partner (OP) of the project, the MoAL is responsible and accountable to FAO for the timely implementation of the agreed project activities, operational oversight of implementation, timely reporting, and for effective use of GEF resources for the intended purposes and in line with FAO and GEF policy requirements. As executing agency, the MoAL will:

- Coordinate the implementation of project activities within their respective project sites.
- Ensure effective and timely implementation of the project activities.
- Ensure effective and efficient utilization of resources.
- Prepare and submit physical/technical and financial progress reports to the Project Management Unit (PMU).
- Liaise with the PMU and responsible parties on project implementation.

The project organization structure is as follows:

## Project Organization and Fund Flow



The RGoB will designate a Project Director to be located in the MoAL and a project accountant, both to be funded by co-finance. The Project Director will be responsible for overseeing the implementation of the project activities and liaising with central agencies and local governments. In addition, the RGoB will identify one focal person each at the department and *dzongkhag* level.

The GEF will support the costs of the Project Knowledge Management and Communication Officer (KMCO), based in Thimphu, and a Project Manager (PM), M&E Officer, and Administration Assistant, based at PMU in the project landscape. The responsibility of the PMU includes:

- Strategic planning, review, and coordination of project activities.
- Liaise with implementing partners on the smooth implementation of activities
- Monitor and report on physical and financial progress of the project activities.
- Consolidate physical/technical and financial reports for submission to the GEF agency (FAO) through the GEF OFP.
- Provide technical support to implementing partners.
- Knowledge management, visibility and communications.

The PM will be responsible for coordinating the activities with all the national bodies related to project components including the local government, as well as with the project partners. He/she will also be responsible for guiding the PMU on government policies and priorities. The PM will be based in the PMU office in the project landscape and will have day-to-day responsibility for project execution.

The Secretary, MoAL will chair the **Project Steering Committee (PSC)**, the main governing body of the project. The PSC will provide strategic guidance to the PMU and implementing partners.

The PSC will comprise Secretary of MoAL (Chair), Director, DoA; Director, DoL; Director, DAMC; Director, DMDF; *Dzongdags* (Governors) from each of the six *dzongkhags*, FAO and Project Director (Member Secretary). Each PSC member will appoint a project Focal Point in their respective agency. The

project Focal Points will: (i) technically oversee activities in their sector; (ii) ensure a fluid two-way exchange of information and knowledge between their agency and the project; (iii) facilitate coordination and links between the project activities and the work plan of their agency; and (iv) facilitate the provision of co-financing to the project. The Focal Points will apprise their respective PSC members of the progress, challenges and issues, and on the decisions/guidance required by the project. The PSC will be responsible for but not limited to:

- Approve Annual Work Plans and budgets.
- Supervise all aspects of project implementation and disbursement of funds to the executing entities.
- Review and approve project activities for each executing entity.
- Review project and project status reports to ensure that activities are implemented as planned and that expected outcomes are achieved.
- Provide guidance on effective and efficient utilization of resources.
- Liaise with the RGoB on project implementation and seek policy guidance.

### **Roles and Responsibilities of Implementing Agency (IA)**

FAO will be the GEF Implementing Agency (IA) for the Project, providing project cycle management and support services as established in the GEF Policy. FAO will bring to bear its comparative advantages including: its in-house technical expertise, a wide variety of tools and approaches that enable countries to undertake agrifood system transformation projects, its experience in integrated approaches to sustainable value chain development, technically and socially feasible approaches to sustainable production and natural resource management, ILM, participatory technology development and farmer/community education and its platforms for national partners to share, discuss, and evaluate viewpoints, find common ground, develop common goals and shared principles.

As the GEF IA, FAO holds overall accountability and responsibility to the GEF for the delivery of the results. In the IA role, FAO will utilize the GEF fees to deploy three different actors within the organization to support the project:

- The Budget Holder, the FAO Country Representative for Bhutan, will provide oversight of day-to-day project execution.
- The Lead Technical Officer(s), drawn from across FAO, will provide oversight/support to the project's technical work in coordination with government representatives participating in the PSC.
- The Funding Liaison Officer(s) and the GEF Technical Officers (GTO), within FAO, will monitor and support the project cycle to ensure that the project is being designed and carried out in accordance with FAO and GEF minimum fiduciary and technical standards.

FAO will:

- Administer funds from the GEF in accordance with the rules and procedures of FAO.
- Oversee project implementation in accordance with the project document, work plans, budgets, agreements with co-financiers, Operational Partners Agreement(s) and other rules and procedures of FAO.
- Provide technical guidance to ensure that the appropriate technical quality is applied to all activities concerned.
- Conduct at least one supervision mission per year.
- Report to the GEF Secretariat and Evaluation Office, through the annual Project Implementation Review, the Mid Term Review, the TE and the Project Closure Report on project progress.

- Report on finances to the GEF Trustee.

**Will the GEF Implementing Agency play an execution role on this project?**

x Yes       No

FAO will manage international consultants and support international training and travel. In addition, as requested by the OFP, FAO will support the administration of Bhutan child project's participation in the FS IP Global Child Project led activities.

**Cooperation with ongoing initiatives and projects**

The project will seek to leverage synergies between ongoing initiatives and projects and promote cooperation through co-location and sharing of expertise and staffing. To this end, there are several ongoing initiatives and projects with which the project will work with, these include the **Bhutan for Life (BFL)** project which has a focus on maintaining protected areas and biodiversity corridors, and fostering ecotourism with a goal to enhance ecosystem-based adaptation, and the **Adaptation to Climate-induced Water Stresses through Integrated Landscape Management in Bhutan** project which provides opportunities to share expertise in climate-smart agriculture and sustainable land management practices.

Co-location in overlapping geographic areas of these two projects with the GEF project will help streamline resource utilization and bolster community resilience through integrated watershed management and improved governance.

The **Supporting Climate Resilience and Transformational Change in the Agriculture Sector in Bhutan** project aims to enhance water and soil management and improve market accessibility, offers opportunities to synergize efforts to diversify eco-tourism and support rural livelihoods. By sharing staffing and expertise in climate-informed agricultural practices and infrastructure development, these projects can collectively enhance the sustainability and economic stability of rural communities.

**Accessing Bhutan's Biological Resources through Sustainable Conservation, Community Empowerment and Capacity Building under the Nagoya Protocol (GBFF)** project offers a venue for collaboration to strengthen national frameworks for Access and Benefit Sharing (ABS) and enhance bioprospecting initiatives. By sharing knowledge management systems, both projects can enhance the protection of intellectual property rights and boost domestic bio discovery research, ensuring that women and local communities are active participants and beneficiaries.

The **Innovative Adaptation Financing to Build the Resilience and Adaptive Capacity of Smallholder Farmers in Bhutan** project can share expertise in innovative financing and adaptive strategies and amplify the impact on smallholder farmers, improving their resilience to climate change and securing sustainable livelihoods.

The **Food Security and Agriculture Productivity** project's emphasis on improving agricultural output through advanced irrigation, water management, and farm mechanization can directly benefit Nabs. Cooperation with this project can facilitate the exchange of best practices in sustainable agriculture, enhancing both food security and environmental conservation.

**Promoting Inclusive, Sustainable, and Resilient agrifood Systems in Bhutan**' programme will support sustainable land management and private partnership model in the RNR sector (e.g. commercial and integrated mega farms established through a PPP model). Cooperation with this project can facilitate upscaling SLM and private sector engagement and businesses based on sustainable agrifood supply chains at landscape level and beyond.

## B.2 Table of Core Indicators

**Table 2 PROJECT CORE INDICATORS**

Project Core Indicators		Expected at CEO Endorsement
1	<b>Terrestrial protected areas</b> created or under improved management (hectare)	0
2	<b>Marine protected areas</b> created or under improved management (hectare)	0
3	Area of <b>land and ecosystems under restoration</b> (hectare) (Pasture and grazing areas)	33,824
4	Area of <b>landscapes under improved practices</b> (hectare)	1,130,746
5	Area of <b>marine habitat under improved practices</b> (hectare)	0
6	<b>Greenhouse Gas Emissions Mitigated</b> (metric ton of CO <sub>2e</sub> )	1,005,456
7	<b>Shared water ecosystems</b> under new or improved cooperative management (count)	0
8	Globally over-exploited <b>marine fisheries</b> moved to more sustainable levels (metric ton)	0
9	Chemicals of global concern and their waste reduced (metric ton of toxic chemicals reduced)	0
10	Persistent organic pollutants to air reduced (gram of toxic equivalent gTEQ)	0
11	People benefiting from GEF-financed investments <b>disaggregated by sex</b> (count)	84,419 (40,957 women, 43,462 men)

Calculations were made as follows:

- Indicators 3.1 and 3.3 - The land cover mapping (LCMP) 2010 - a geospatial map-based datasets on cropland, protected areas and degraded lands - was used to estimate total area of rangelands within the two target *gewogs* (within Sakteng Wildlife Sanctuary) which are targeted by the project for rangeland restoration. The PIF target for the area of degraded agricultural lands under restoration (3.1) was 12,567 ha, which appears to include areas that should have been listed under Indicator 3.3. The revised target was calculated as 564 ha under Indicator 3.1 which includes the actual planned area of on-ground grazing restoration. In addition, the project will prepare grazing (*Tsamdrog*) management plans/guidelines that will cover all remaining *grazing areas* in Merak and Sakteng *gewogs*. This is estimated at 33,260 ha and is included under Indicator 3.3.
- Indicators 4.1 and 4.3 - geospatial analysis at the *gewog* level was used to assess areas with high potential to benefit from improved land management. The area that will benefit from landscape level land use zoning within the six *dzongkhags*, informed by project lessons and linked to improvements resulting from training by the National Land Commission in Land Zoning, was estimated at 1,107,011 ha (Indicator 4.1). The area of landscapes under sustainable land management in production systems (Indicator 4.3), including on-ground terrace development and consolidation, bioengineering, and orchard development on demonstration sites covering 119 ha in five *gewogs*. In addition, it is anticipated that sustainable land management of all dryland agriculture (23,616 ha) within all project *gewogs* will be improved through training of farmers on SLM approaches and soil fertility practices (Indicator 4.3).

- Indicator 6.5 – the Nationally Determined Contribution Expert Tool (NEXT) developed by FAO was used to calculate GHG mitigation.
- Indicator 11 - consultations with local leaders and farming community members were followed by an assessment of national and *dzongkhag* level statistics which allowed an estimation of targets for direct beneficiaries. Direct beneficiaries were estimated as the total population of 23 project gewogs and associated urban areas within the project landscape based on population and housing census (PHCB) 2017. Engagement of producers, aggregators and rolling out of climate related information services will enable the population in the project area to benefit.

### B.3 Key Risks

Risk management is a coordinated set of activities to direct and control an organization with regard to risk. It comprises a structured, methodical approach to identifying and managing risks for the achievement of objectives. The project risk log will support monitoring risks and risk mitigation actions throughout implementation. It focuses on both external risks to the project and on the identified environmental and social standards (ESS) from the project. ESS specific risks are elaborated in further detail in Annex I.

#### Risks to Achieving Outcomes

The risks that might affect the achievement of the outcomes of the project can be mitigated through effective management and with the support of government staff. Table 3 summarizes the project's risks and the mitigation measures.

**TABLE 3 RISKS TO THE PROJECT ACHIEVING OUTCOMES**

RISK CATEGORIES	RATINGS	ASSESSMENT AND MITIGATION MEASURES
<b>CONTEXT</b>		
Climate	Moderate	A climate risk screening has been undertaken and mitigation measures have been built into the project design. Successful implementation of the project will enhance the resilience of biodiversity and livelihoods to the adverse impacts of climate change including through livelihood interventions that focus on climate-smart agriculture and forest use.
Environment and Social	Moderate	<p>Risks and related mitigation actions identified during the ESIA include</p> <ul style="list-style-type: none"> <li>● Project-related construction of agrifood system infrastructure and installation of value chain equipment can pose potential safety risks to local communities (unlikely).</li> <li>● Support for employment or livelihoods may fail to comply with national and international labor standards</li> <li>● The project could potentially limit women’s ability to use, develop and protect natural resources.</li> <li>● Potential adverse impacts on habitats and loss of ecosystem services</li> <li>● The project may involve the application of pesticides (unlikely) that may have a negative effect on the environment or human health.</li> <li>● There is only low potential to involve temporary or permanent and full or partial physical displacement of people.</li> </ul> <p>Mitigation measures are articulated in the ESMP, Stakeholder Engagement Plan and GAAP.</p>

RISK CATEGORIES	RATINGS	ASSESSMENT AND MITIGATION MEASURES
		Clear communication on gender equality is one of the key aims of the project. The project includes gender disaggregated requirements for data collection and monitoring. Women farmers and groups of women farmers will be specifically supported to link with commodity associations.
Political and Governance	Low	Awareness raising among decision makers combined with a strong stakeholder involvement plan. Key government agencies at national and <i>dzongkhag</i> levels will be members of the project steering committee. Clear project institutional arrangements that specify the roles and responsibilities of those concerned as set out in the national guidelines that are supported by the project.
<b>INNOVATION</b>		
Institutional and Policy	Low	The RGoB is committed to protecting its ecosystems while promoting sustainable food systems and livelihoods. The linkages between national policy and local action, via <i>dzongkhag</i> and <i>gewog</i> levels are not always fully operational The project will seek to address this through a focus on improving <i>dzongkhag</i> and <i>gewog</i> regulatory, planning, and institutional mechanisms including via multi-stakeholder dialogues.
Technological	Low	The technological aspects of the project include digital systems that are already operating in the country such as internet and mobile phone technologies. The penetration of mobile phones and the internet into remote areas of the project will limit the application of some outputs in these locations. Technologies for improving farm value chains are based on existing approaches.
Financial and Business Model	Low	The project will work in close consultation with other projects, government agencies and private sector entities that are focused on sustainable value chains to identify risks and opportunities with commodity prices and support farm producer organizations to identify and select commodities and value chains that minimize risk, are gender responsive, climate resilient and biodiversity friendly.
<b>EXECUTION</b>		
Capacity for Implementation	Moderate	Clear communication on gender equality is one of the key aims of the project. The project includes gender disaggregated requirements for data collection and monitoring. Women farmers and groups of women farmers will be specifically supported to link with commodity associations. By supporting biodiversity positive farm activities the project will help build sustainable livelihoods and improve resilience. The project will support producer organizations in linking with farm product markets and encourage the use of value-chain networks to improve market efficiencies and biodiversity outcomes. If there are changes in co-finance, partners will seek alternative options while ensuring continuity and fairness of resource allocations to ongoing initiatives in the six <i>dzonghags</i> .
Fiduciary	Low	The project will follow RGoB and FAO financial management and procurement rules and be regularly audited, and spot checked.

RISK CATEGORIES	RATINGS	ASSESSMENT AND MITIGATION MEASURES
Stakeholder	Moderate	<p>The project will apply a robust stakeholder engagement strategy and ensure effective identification of and negotiation with interested community members.</p> <p>Approaches and production technologies and techniques will be carefully matched with the specific local needs and opportunities to ensure highly targeted and sustainable impacts.</p> <p>Interventions will be based on needs expressed by community stakeholders.</p> <p>The project will secure agreements with the key stakeholders to collect and supply required data and information and requirements for the project to provide compiled data back to data custodians.</p>
Overall Risk Rating	Moderate	The risks to the project that have been identified can be mitigated through effective management by the project and through the support of government staff and the project governance system.

### C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

The project is aligned to Bhutan’s 13<sup>th</sup> FYP to increase the Primary Sector GDP (Agriculture and Livestock) from Nu. 31 billion in 2023 to Nu. 50 billion by 2029 through high-value agriculture and livestock production, processing, and marketing. It will support actions to increase farmer income, enhance food security, and export high-value products. It will also support priority commodities including dairy, avocado, buckwheat, potato, quinoa, maize, and beans.

**TABLE 4 ALIGNMENT OF THE PROJECT OUTPUTS WITH THE 13<sup>TH</sup> FYP**

Project output	MoAL’s 13 <sup>th</sup> FYP Outputs	MoAL’s 13 <sup>th</sup> FYP Projects
1.1.1 Policies, plans, regulations, and investment guidance harmonized to promote sustainable food systems.	1.1 Regulatory frameworks streamlined	5. Improving Business Ecosystem
1.1.2 Standards and certification developed to meet export market requirements for sustainable agricultural products	Output 3.3: Marketing of agriculture and livestock commodities increased	3. Promotion of high-value products for export markets. 5. Improving Business Ecosystem
2.1.1: Sustainable food production and farming systems promoted within a framework of ILM	3.1 Agricultural production enhanced 3.2 Livestock production enhanced	1. Promotion of Large-scale commercial farming 2. Building resilience of smallholder farmers 4. Enhancing ecosystem services from sustainable and resilient biodiversity initiatives
2.2.1 Public-private partnerships support investments for sustainable and resilient agricultural value chains that engage youth and are gender responsive	2.1 Agricultural & marketing Infrastructures and facilities strengthened 3.4 Biodiversity conservation, product development and bioprospecting strengthened	1. Promotion of Large-scale commercial farming
2.2.2 Agrifood value chain enterprises promote environmentally sustainable, resilient and gender responsive agricultural and livestock products	2.1 Agricultural & marketing Infrastructures and facilities strengthened 3.3: Marketing of agriculture and livestock commodities increased	1. Promotion of Large-scale commercial farming 3. Promotion of high-value products for export markets

Project output	MoAL's 13 <sup>th</sup> FYP Outputs	MoAL's 13 <sup>th</sup> FYP Projects
3.1.1 Monitoring mechanism with sustainability dimensions optimize effective, efficient and results-based adaptive management of agrifood system transformation.	1.2 Governance mechanism improved	5. Improving Business Ecosystem
3.2.1 Linkages to national, regional and global hubs/resources on sustainable agrifood systems and integrated landscape management established, enabling the management and exchange of knowledge and the stimulation of innovation and behaviour change.	1.2: Governance mechanism improved	5. Improving Business Ecosystem

Bhutan has a strong national policy framework in relation to environmental sustainability and food security with a clear emphasis on environmentally sustainable development and ensuring food self-sufficiency and economic self-reliance. Bhutan's philosophy, Gross National Happiness (GNH), guides its socioeconomic development, including RGoB's aims to attain sustainable and equitable economic development, protect the environment, and promote culture and good governance. The RGoB is committed to transforming the food system through an integrated approach, as clearly set out in the NFSPs, and demonstrated through the National Organic Program and the Agriculture Research and Development program.

The NFSPs are aligned to Bhutan's 2nd Nationally Determined Contribution (NDC) and LEDS for the agriculture and livestock sectors, support Bhutan's climate change, agriculture and forestry policies, and contribute to MEA and SDG goals.

Bhutan's National Biodiversity Strategy and Action Plan (NBSAP, 2014) is due for updating. The NBSAP targets agriculture and forestry, including rangelands to be managed sustainably.

Bhutan's National Adaptation Plan (NAP) targets include an increased agricultural productivity and food security including through sustainable land management. Bhutan promotes agro-ecological farming practices that conserve natural resources and reduce GHG emissions. Bhutan is party to the Paris Agreement and is carbon neutral. The NDC prioritizes transformation of the agriculture and livestock sector.

The RGoB's decentralized administrative structures provide mechanisms for implementing the 13<sup>th</sup> FYP in an integrated way.

GEF incremental support will focus on building on the well-developed governance environment by promoting inter-sectoral coordination and enabling mechanisms for implementing the NFSPs, including improving the: i) implementation of plans, policies and regulations; and ii) management of trade-offs. The project will encourage the development of sustainable, inclusive and gender-responsive, climate-smart and healthy agrifood systems that will help Bhutan's meet its commitments to MEAs.

**Alignment to the FAO Strategic Framework, SDGs and Country Programming Framework**

The project will contribute substantially to the Kunming-Montreal Global Biodiversity Framework as shown in Table 5.

The project will contribute to SDG 1 (End Poverty), 2 (Zero hunger), 5 (Gender Equality), 13 (Climate Action) and 15 (Life on Land) by improving food security and nutrition, building sustainable livelihoods and reducing vulnerability, storing GHGs through improved land management and applying gender responsive approaches and climate-smart agriculture.

The project links to FAO’s second strategic objective<sup>12</sup> (*To make agriculture, forestry and fisheries more productive and sustainable*) by supporting sustainable management of the natural resource base, strengthening capacities and systems to support monitoring of natural resources, and through improvements to management interventions.

FAO’s Programme Priority Areas (PPAs) guide FAO’s work under the four betters to fill critical gaps and put in place the conditions needed to drive the changes that will ultimately contribute to the achievement of the SDG targets. The PPAs respond directly to the issues and challenges emanating from the Corporate Strategic Foresight Exercise, the Regional Conferences, the Technical Committees, and other formal and informal consultation processes. They represent FAO’s comparative advantage as a UN specialized agency in contributing to the 2030 Agenda, bringing together FAO’s breadth and depth of technical expertise and knowledge.

The project will contribute to the FAO strategic Framework through supporting the four betters: better production, better nutrition, a better environment, and a better life, leaving no one behind, with a focus on Program Priority Area BE3 (*Biodiversity and ecosystem services for food and agriculture*).

**TABLE 5 PROJECT CONTRIBUTIONS TO KGBF TARGETS**

<b>Project Outcome</b>	<b>KMGBF Goal</b>	<b>KMGBF Targets</b>
1.1: Improved inter-sectoral collaboration mechanisms support sustainable, inclusive and gender-responsive, climate-smart and healthy agrifood systems pathways	Global target group - Tools and solutions for implementation and mainstreaming	14, 18, 22
2.1: Farmers and SMEs with enhanced capacities for mainstreaming sustainability into food production	Goal B: Biodiversity is sustainably used and managed and nature’s contributions to people, including ecosystem functions and services, are valued maintained and enhanced, with those currently in decline being restored, supporting the achievement of sustainable development for the benefit of present and future generations by 2050	2; 3; 5; 8; 9; 10; 11; 23
2.2: Agrifood system value chains and infrastructure favor sustainable and resilient supply chains	Goal D: Adequate means of implementation including financial resources, capacity building, technical and scientific cooperation, access to and transfer of technology to fully implement the KMGBF are secured and equitably accessible to all Parties, especially developing countries and small island developing states, as well as countries in economic transition, progressively closing the biodiversity financing gap of \$700 billion per year and aligning financial flows with the KMGBF and the 2050 Vision for Biodiversity	19
3.1 Evidence- and results-based adaptive management 3.2: Improved access to knowledge and technical expertise.	Goal D: as above	20, 21, 23

**Alignment to Country Programming Framework Priority Areas.**

The project will contribute to the FAO’s Country Programming Framework as follows:

<sup>12</sup> <https://www.fao.org/3/i8580en/i8580en.pdf>

- **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.
- **Priority area 2:** Food Security, Safety, and nutrition-sensitive and climate-smart agriculture.
- **Priority area 3:** Sustainable natural resources management, climate change mitigation and adaptation measures, and disaster risk management and preparedness.
- **Priority area 4:** Evidence-based agrifood systems planning and programming at national and local levels.

It will also contribute to the FAO's Regional Initiative/Priority Area: 8. Land restoration (including forest management, land and soil management, biodiversity), Climate Change, and Sustainable Agriculture, and the Hand-in-Hand Initiative and One Country One priority product.

### Lessons Learned from Past Projects

Key lessons learned include:

- Farmers are very aware of local conditions, challenges and opportunities and have a strong influence over land-use. Gaining their support through highly participatory, consultative processes is critical to the success of any project.
  - Dependence on natural resources for livelihoods requires any new approach to food systems to be negotiated and to respect the needs and aspirations of participating farmers and communities.
  - Targeted capacity building and investment in skill development and awareness raising activities are needed.
- Bhutan has considerable experience with implementing activities aimed at improving agrifood system production, but efforts to link all steps of the value chain to viable markets have often fallen short of expectations.
- Numerous projects and programs can provide useful lessons on crop diversification, climate resilience and approaches that enable farmers to shift to more sustainable and financially viable approaches.
- Project activities must align with the 13<sup>th</sup> FYP to gain recognition and Government buy-in.

## D. POLICY REQUIREMENTS

### Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed during Project Preparation as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes     No (If –and only if– NO is selected, a pop-up field should open for the Agency to provide an explanation)

- 1) Does the project expect to include any gender-responsive-measures to address gender gaps or promote gender equality and women's empowerment?

Yes     No

If the project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

closing gender gaps in access to and control over natural resources;

improving women's participation and decision-making; and/or

generating socio-economic benefits or services for women.

2) Does the project's results framework or logical framework include gender-sensitive indicators?

Yes     No     tbd

### **Stakeholder Engagement**

We confirm that key stakeholders were consulted during Project Preparation as required per GEF policy, their relevant roles to project outcomes have been clearly articulated in the Project Description (Section B) and that a Stakeholder Engagement Plan has been developed before CEO endorsement.

Yes     No

Select what role civil society will play in the project:

Consulted;  Yes     No

Member of Advisory Body; Contractor;  Yes     No

Co-financier;  Yes     No

Member of project steering committee or equivalent decision-making body;  Yes     No

Executor or co-executor;  Yes     No

Other (Please explain)  Yes     No

### **Private Sector**

Will there be private sector engagement in the project?

Yes     No

And if so, has its role been described and justified in section B "project description"?

Yes     No

## E. OTHER REQUIREMENTS

### E.1 Knowledge Management and Communication

The project's knowledge management strategy will support sharing of knowledge and innovation, including within and between *gewogs* and *dzongkhags*, at national level and within the region and globally. It will align with the GEF Knowledge Management and Learning Strategy.

The project will promote opportunities to share information through the integration of the project monitoring, evaluation and learning systems with the FSIP-GCP's Knowledge Management, Learning and Outreach (KMLO) hub and knowledge management strategy. This will include the systematic capture and sharing of information to other landscapes through improved monitoring frameworks.

It will support regional cooperation, including South-South learning, technical exchanges, intergovernmental cooperation, knowledge management, and communication, through linkages to national, regional, and global hubs/resources, promoting the management and exchange of data and knowledge, and the stimulation of innovation and scaling up. It will maintain effective links with FAO in relation to agrifood systems, including (i) FAO resource hubs, and (ii) FAO platforms on crops. It will support links to regional and global hubs/resources on agrifood systems and landscape management, particularly the FSIP-GCP through knowledge exchanges organized by the global platform and country specific opportunities for learning and exchange with FSIP cohort members.

The project will develop country-specific contributions to documenting best practices and lessons learned through publications and other knowledge products, supporting adaptive management based on feedback from project implementation. Project activities will aim to strengthen partnerships with regional and global vertically integrated private companies, civil society organizations and research centers, particularly through engagement with the International Maize and Wheat Improvement Center, and the Global Dairy Platform.

### E.2 Socio-economic Benefits and Decent Rural Employment

Socioeconomic benefits include:

- Improved governance and enabling environment at national, *dzongkhag* and *gewog* levels through a national level multi-stakeholder platform and by engaging the private sector in environmentally sustainable, targeted crop, vegetable and livestock value chains.
- Enhanced gender equality and engagement of women and youth in agrifood systems.
- Enhanced income generation through enhanced improved agrifood value chains
- Improved capacity of farmers and SMEs to apply Nabs and ILM, engage in environmentally sustainable value chains and meet food standard and certification requirements.
- Increased carbon sequestration.
- Reduced land degradation, improved biodiversity conservation, and enhanced resilience to climate change impacts through Nabs and ILM and protection of rangelands and watersheds.
- Improved dairy breeds that lead to both GEBs and sustainable production values through reduced herd size, linked to improved management of rangelands, reduced HWC and reduced GHG emissions.
- Improved poultry breeds and management of poultry to reduce risk of disease including biosecurity risks to wildlife.

The project has a strong focus on improving environmentally sustainable rural livelihoods including by generating livelihood benefits through value chains, and markets. See Table 6. Improved agrifood value chains may enhance employment opportunities, but they will not be directly monitored as employment

creation is not the main focus of the project. Instead, it'll be monitored through indicators (GEF Core Indicator 11) such as “No of farmers benefiting from rangeland, restoration fodder resources development and sustainable agriculture”, “No. of women and men trained in environmentally sustainable agri-business and enterprise management”, “No. of enterprises on environmentally sustainable agrifood value addition and logistics established”

**TABLE 6 PROJECT SUPPORT TO DECENT RURAL EMPLOYMENT**

Prioritized Groups – Farmers and SMEs with a focus on women and youth and environmentally sustainable management
<p>Pillar 1: Employment-creation and enterprise-development</p> <ul style="list-style-type: none"> <li>- Participatory analyses with vulnerable groups on employment related to agrifood systems.</li> <li>- Consultation with relevant groups <ul style="list-style-type: none"> <li>o Support women and men farm producers in accessing Fair markets and environmentally sustainable value chains, and training, financial services, and other productive assets</li> </ul> </li> <li>- Provide Market Analysis and Development training.</li> <li>- Implement training for government agencies and project partners to enable them to undertake participatory, gender responsive, Nabs approaches with communities.</li> </ul>
<p>Pillar 2: Social protection</p> <ul style="list-style-type: none"> <li>- Share institutional innovations and good practices of organized collective action</li> </ul>
<p>Pillar 3: Standards and rights at work</p> <ul style="list-style-type: none"> <li>- Support socially responsible environmentally sustainable agrifood production to reduce gender and age-based discrimination.</li> <li>- Promote compliance with national labor legislation.</li> <li>- Address constraints of women, youth, and other specific groups of workers in getting organized</li> </ul>
<p>Pillar 4: Governance and social dialogue</p> <ul style="list-style-type: none"> <li>- Promote inclusive participation of local people, particularly women.</li> <li>- Support farmers and SMEs to strengthen networks of producers and workers.</li> <li>- Build the capacity of farmers and SMEs to organize into legalized associations and women to undertake leading positions.</li> <li>- Share knowledge on climate-resilient agricultural management.</li> </ul>

## ANNEX A: FINANCING TABLES

### GEF Financing Table

Trust Fund Resources Requested by Agency(is), Country(is), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b)	Total ©=a+b
FAO	GEFTF	Bhutan	Biodiversity	BD STAR Allocation	3,594,725	323,525	3,918,250
FAO	GEFTF	Bhutan	Land Degradation	LD STAR Allocation	1,797,362	161,763	1,959,125
FAO	GEFTF	Bhutan	Climate Change	CC STAR Allocation	1,797,362	161,763	1,959,125
FAO	GEFTF	Bhutan	Biodiversity	BD IP Matching Incentive	1,198,242	107,842	1,306,083
FAO	GEFTF	Bhutan	Land Degradation	LD IP Matching Incentive	599,121	53,921	653,042
FAO	GEFTF	Bhutan	Climate Change	CC IP Matching Incentive	599,121	53,920	653,042
Total GEF Resources					9,585,933	862,734	10,448,667

### Sources of Funds for Country STAR Allocation

GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Source of Funds	Total
FAO	GEF TF	Bhutan	Biodiversity	BD STAR Allocation	4,000,000
FAO	GEF TF	Bhutan	Land Degradation	LD STAR Allocation	2,000,000
FAO	GEF TF	Bhutan	Climate Change	CC STAR Allocation	2,000,000
Total GEF Resources					8,000,000

### Focal Area Elements

Programming Directions	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
Food System Integrated Program	GEF TF	9,585,933	49,662,083
Total Project Cost		9,585,933	49,662,083

### Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project in the tab of the portal

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount (\$)
Government	DOA	In-kind	Recurrent expenditures	2,847,924
Government	DOL	In-kind	Recurrent expenditures	2,252,872
Government	DAMC	In-kind	Recurrent expenditures	207,873
Government	BFDA	In-kind	Recurrent expenditures	551,270
Government	PPD	In-kind	Recurrent expenditures	677,653
Government	Lhuentse District	In-kind	Recurrent expenditures	593,000
Government	Mongar District	In-kind	Recurrent expenditures	970,000
Government	Pemagatshel District	In-kind	Recurrent expenditures	853,000
Government	Samdrup Jongkhar District	In-kind	Recurrent expenditures	697,000
Government	Trashigang District	In-kind	Recurrent expenditures	1,057,000
Government	Trashiyangtse District	In-kind	Recurrent expenditures	531,000
Government	DOA	Cash	Recurrent expenditures	35,606,988
Government	DOL	Cash	Recurrent expenditures	2,187,000
Government	DAMC	Cash	Recurrent expenditures	211,000
Government	BFDA	Cash	Recurrent expenditures	419,000
Total Co-financing				49,662,083

The BRECSA project provides thematic learning and exchange opportunities for the project in terms of enabling resilient production systems as well as income generation through resilient value chains and market access.

The EU project on Promoting Inclusive, Sustainable, and Resilient agrifood Systems in Bhutan (2021-2027) operates at the national level providing strategic interventions relating to environmentally sustainable land management, private sector participation in the agro-food systems sector facilitated through promotion of PPP models. This provides opportunities for learning from this project's interventions.

The Strengthening Pandemic Prevention, Preparedness, and Response through One Health Approach in Bhutan (2025-2027) supports functional diagnostic capacity in animal health and food safety sectors for infectious diseases. This aligns with the interventions of the project in breed improvement, feed availability, and animal health management in dairy and poultry as well as strengthening farm biosecurity.

Cash co-financing will support the development and maintenance of irrigation channels, support community level farms, interventions in human-wildlife conflict management and food security interventions by the DoA. The co-financing from the DoL includes dairy, piggery, and poultry sector development and strengthening of production farms, and linking farmers to markets. The Department of

Agricultural Marketing Cooperatives co-financing pertains to new market exploration and facilitating domestic and export markets. The in-kind co-finance comprises staff costs at the central and local levels.

## ANNEX B: RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S)



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## ANNEX C: RESULTS FRAMEWORK

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
<b>Project Objective:</b> To ensure the long-term environmental sustainability of food systems and the delivery of global environmental benefits (GEBs).							
<b>Component 1: Supportive enabling conditions for sustainable and healthy food systems</b>							
Outcome 1.1: Improved inter-sectoral collaboration mechanisms to support sustainable and healthy agrifood system transformation pathways	Inter-sectoral coordination forum for food system transformation established at national level	Inter-sectoral collaboration mechanisms do not exist at national level	National intersectoral collaboration forum established	Functional National inter-sectoral collaboration forum	Reports Minutes of meetings	Sectoral actors are willing to collaborate	PMU
	Number of environmentally sustainable agrifood products certified to international standards for export	Certification of dairy milk, cage-free eggs and yak products to specified standards is yet to be developed	One agrifood product certified to specified standards for export	Three agrifood products certified to specified standards for export	Certification standard	Government has the capacity to develop certification to meet targeted international standards	PMU
Output 1.1.1: Policies, plans, regulations, and investment guidance harmonized to promote sustainable food systems.	Inter-sectoral coordination forum for food system transformation exists	Inter-sectoral collaboration mechanisms do not exist at national level	National intersectoral collaboration forum established	National inter-sectoral collaboration forum functioning	Reports Minutes of meetings	Sectoral actors are willing to collaborate	PMU
	Number of policy reviews carried out within a SEA framework	0	1	2	Impact assessment reports	Innovative and environmentally sustainable input supply solutions for food system resilience and global environmental benefits can be identified	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Output 1.1.2: Standards and certification developed to meet export market requirements for sustainable agricultural products	<i>Number of international agri market standards assessments completed</i>	0 countries	3 countries	6 countries	Reports	PMU can complete assessments in a timely manner	PMU
	Number of environmentally sustainable agrifood products certified to specified standards for export	0	1	3	Certification standard	BFDA has the capacity to develop the standards and complete the certification process before end of project	BFDA
<b>Component 2: Transformation of food systems at farm, landscape and value chain levels</b>							
Outcome 2.1: Farmers and SMEs with enhanced capacities adopt sustainable food production practices that deliver GEBs within a framework of integrated landscape management (ILM)	Metric tons of CO2e mitigated (Core indicator 6)	0	63,102	1,005,456 tonnes	Calculation from NEXT	Improved farm management practices based on Nabs enhance GHG mitigation and support delivery of GEBs	PMU
	Area of landscapes under improved practices	0	0	1,130,746 ha	GIS assessment Reports		
Output.2.1.1: Enhanced support for sustainable production of food and integrated management of farming systems within a framework of ILM	Area of land and ecosystems under restoration (Core Indicator 3)	0	0	1,130,746 ha	Geospatial analysis Reports from <i>dzongkhags</i>	Farmers are willing and able to adopt SLM practices that support biodiversity	PMU DoL Sakteng WS staff <i>Dzongkhags</i>
Area of landscapes under improved management to benefit biodiversity (Core indicator 4.1): 1,107,011 ha	<b>The following rows are the details of the above total figures for area covered under Output 2.1.1</b>						

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
= Total land cover area in the east (ha) to be covered by National Land Use Zoning Plan of NLC through activity no. 3.2.1.12	Area of landscapes under improved management to benefit biodiversity (Core Indicator 4.1) Assumed that land use will be improved through landscape level land use zoning covering the entire area of the 6 <i>dzongkhags</i> as a result of incorporation of project lessons and via improved links to the National Land Commission's initiative.	0	500,000 ha	1,107,011 ha	Reports from <i>dzongkhags</i>	Farmers are willing and able to adopt SLM practices that support biodiversity	PMU DoL DoA <i>Dzongkhags</i>
	Area of landscapes under sustainable land management in production systems (Core Indicator 4.3)  Total dryland agricultural area in the project <i>gewogs</i> less the area of Sakteng and Merak <i>gewogs</i>	0	10,000 ha	23,735 ha  119 ha of SLM activities (2.1.1.6, 2.1.1.7 & 2.1.1.9) 23,616 ha (23,735 ha minus 119 ha) resulting from training farmers on SLM approaches (3.2.1.4)	Land ownership data (LULC, 2010) Report on SLM Training reports	Farmers are willing and able to adopt SLM practices that support biodiversity conservation and climate resilience	PMU DoL DoA <i>Dzongkhags</i>
	Area (ha) covered by grazing ( <i>Tsamdrog</i> ) management plans/guidelines in Merak and Sakteng <i>Gewogs</i>	0	10,000 ha	33,260 ha	Geospatial analysis Sakteng WS reports	Sakteng Wildlife Sanctuary staff support the herders	Sakteng WS staff Trashigang <i>Dzongkhag</i>

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
	Degraded rangeland areas (ha) under rangeland restoration	0	125 ha	564 283 ha in Merak + 281 ha in Sakteng involving 560 HH	Geospatial analysis Sakteng WS reports	Sakteng Wildlife Sanctuary staff support the herders	Sakteng WS staff Trashigang <i>Dzongkhag</i>
	Area of pasture/fodder developed in dryland agriculture areas through agro-silvopastoral interventions	0	200 ha	405 ha in Minjey, Silambi, Jurmey, Decheling, Martshala, Yangnyar, Khamdang, Bumdeling, Ramja	Land ownership data (LULC) Report on SLM	Farmers are willing to undertake pasture/fodder development	PMU DoL
	No of farmers benefiting from rangeland, restoration fodder resources development and sustainable agriculture GEF Core Indicator 11 - Population of 23 project <i>gewogs</i> including urban areas, PHCB, 2017	0	44,251	84,419	Reports	Farmers are willing to undertake pasture land improvement and SLM	PMU DoL Sakteng WS Trashigang <i>Dzongkhag</i>
Outcome 2.2: Agrifood system value chains and infrastructure favor sustainable and resilient supply chains	No. of climate-resilient and sustainable value chain enterprises established	Value chains exist, but are generally under-developed, not focused on environmental sustainability, provide low value returns to individuals, HH and enterprises, and business skills are weak	4	7 1 Yak Dairy Product processing enterprise at Merak/Sakteng 1 juice processing plant at Shumar revived 1 Integrated Aggregation Center for Potato, Quinoa and maize in Langchenphu 1 Aggregation Center for dairy and eggs in Deothang 1 Aggregation Center in	Reports	Farmers, SMEs and the private sector are willing to collaborate on improving value chains and associated infrastructure.	PMU DoL DoA <i>Dzongkhags</i>

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
				Lingmithang, Mongar expanded 1 food value chain logistics enterprise 1 agrifood product branding, packaging and designing supported			
Output 2.2.1 Public private partnerships support investments for sustainable and resilient agricultural value chains that engage youth and are gender responsive	No. of women and men trained in environmentally sustainable agri-business and enterprise management Training of trainers on Enterprise Development and Agribusiness Management = 90 Training of farmers, farmer groups, youth groups, cooperatives and interested individual entrepreneurs on enterprise development and agribusiness management = 920  Training of farmers and entrepreneurs on packing technologies = 600	0	1,610	1,610	Reports	Farmers, SMEs and the private sector are willing to collaborate on improving value chains and associated infrastructure.	PMU DoL DoA <i>Dzongkhags</i>
Output 2.2.2: Agrifood value chain enterprises promote environmentally sustainable, resilient and gender responsive agricultural and livestock products	No. of enterprises on environmentally sustainable agrifood value addition and logistics established	0	4	7	Reports	Farmers, SMEs and the private sector are willing to collaborate on improving value chains and associated infrastructure.	PMU DoL DoA <i>Dzongkhags</i>

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
<b>Component 3: Adaptive management and knowledge</b>							
Outcome 3.1: Evidence- and results-based adaptive management	Food system dashboard operationalized and accessible	0	Food system dashboard designed and data inputs organized	Food system dashboard operationalized and accessible	Reports	Project monitoring and knowledge products are relevant and useful to stakeholders	PMU DoL DoA <i>Dzongkhags</i>
Output 3.1.1: Monitoring mechanism with sustainability dimensions optimize effective, efficient and results-based adaptive management of agrifood system transformation.	Food system dashboard operationalized and accessible	0	Food system dashboard designed and data inputs organized	Food system dashboard operational	Reports	The food system dashboard is relevant and useful to farmers and government agencies in applying adaptive management to agrifood system transformation	PMU DoL DoA Dzongkhags
Outcome 3.2: Improved access to knowledge and technical expertise	No. of knowledge products developed and available on website of MoAL	0	7	15	Knowledge products use survey Disseminated materials Reports from FSIP-GCP	Project knowledge materials and approaches are relevant and useful to stakeholders	PMU
Output 3.2.1: Linkages to national, regional and global hubs/resources on sustainable agrifood systems and integrated landscape management established, enabling the management and exchange of knowledge and the stimulation of innovation and behavior change	Knowledge exchange and collaboration linkages to the FSIP-GCP and other FSIP countries established	0	Knowledge exchange and collaboration linkages to the FSIP-GCP and other FSIP countries and others is functioning	Knowledge exchange and collaboration linkages to the FSIP-GCP and other FSIP countries established	Project reports Reports from FSIP-GCP	Project staff are willing to collaborate with FSIP-GCP	PMU

## ANNEX D STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT

Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (\$)		
	Budgeted Amount	Amount Spent To date	Amount Committed
Activities include ProDoc Formulation, data collection, validation workshop, etc.			
Consultants	127,000	126,209	791
Travel	40,000	40,000	0
Meetings/Trainings	19,500	7,797	11,703
Contracts	3,500	0	3,500
Professional services	10,000	10,000	0
<b>Total</b>	<b>200,000</b>	<b>184,006</b>	<b>15,994</b>

## ANNEX E: PROJECT MAP AND COORDINATES

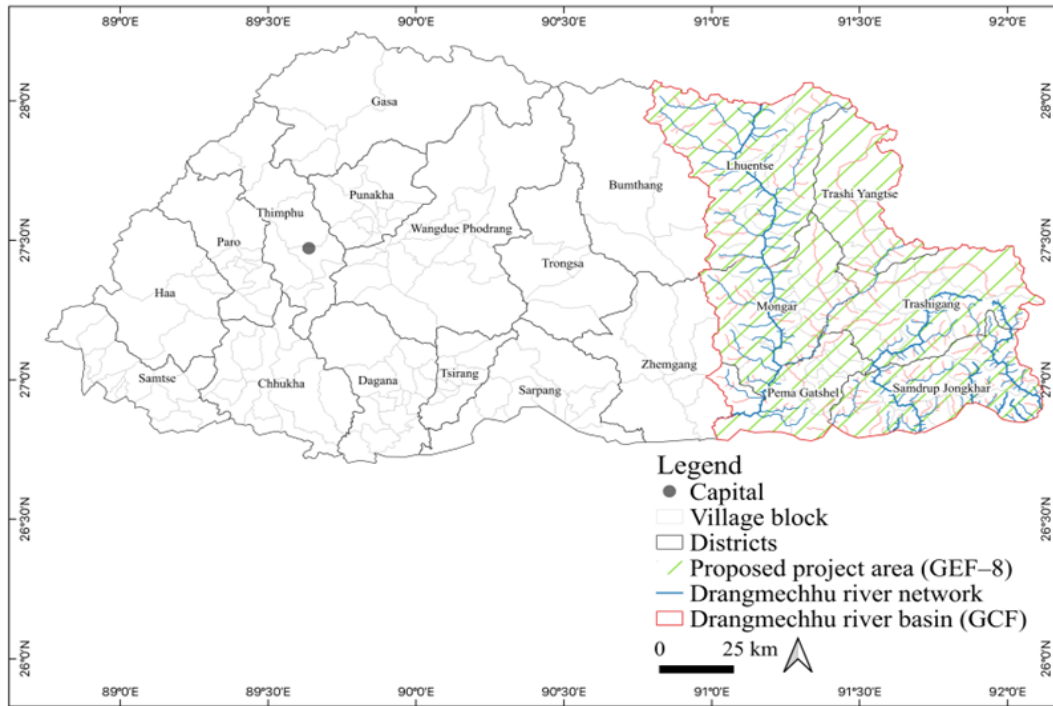


FIGURE 3 PROJECT LOCATION COMPARED TO PROPOSED GCF PROJECT

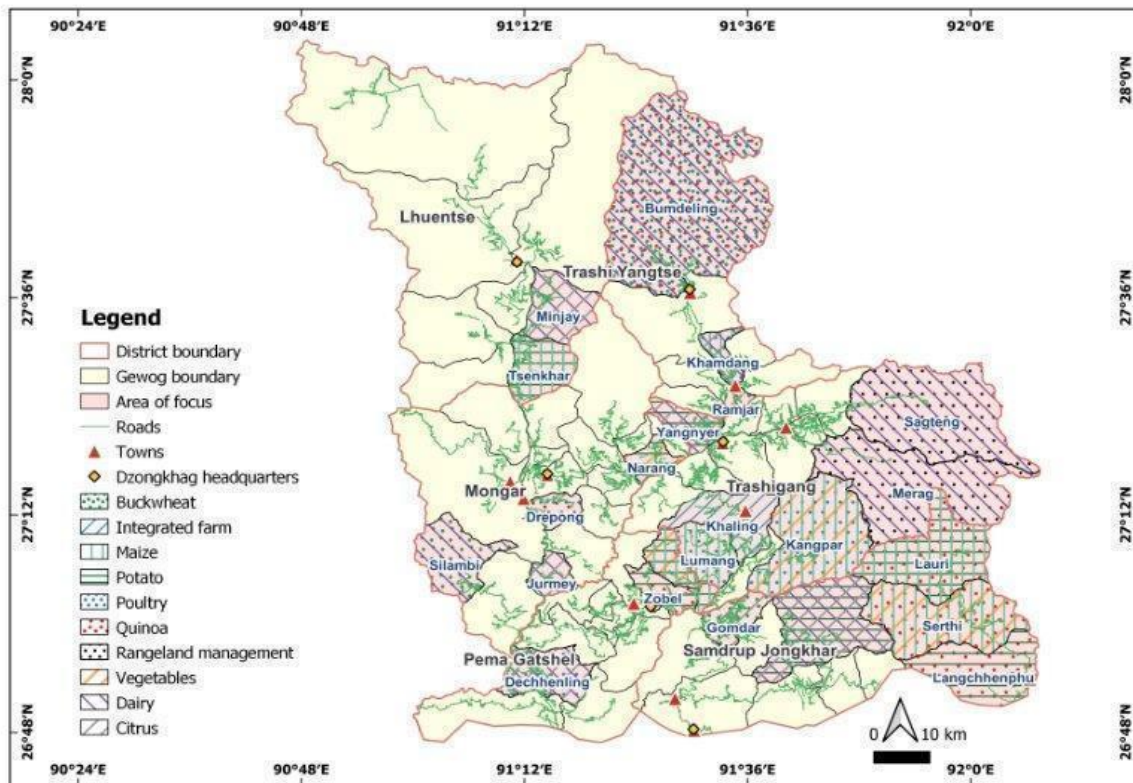


FIGURE 4 LOCATION OF PROJECT TARGETED GEWOGS

<b>Geo Name ID</b>	<b>Location Name</b>	<b>Latitude</b>	<b>Longitude</b>
Lhuentse	Lhuentse Dzongkhag	27.75	91.18333
Mongar	Mongar Dzongkhag	27.25	91.23333
Pemagatshel	Pemagatshel Dzongkhag	27.3	91.36667
Samdrup Jongkhar	Samdrup Jongkhar Dzongkhag	26.91667	91.61667
Trashiyangtse	Trashiyangtse Dzongkhag	27.58468	91.45466
Trashigang	Trashigang Dzongkhag	27.25	91.75
Bumdeling Ramsar site	Center of site	27.7972	91.4378

The boundaries shown and the names and designations used on the maps in this document do not imply the expression of any opinion on the part of FAO concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its territories borders or limits.

## ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS

The Project's overall Environmental and Social Risk Classification: **Moderate**



Bhutan GEF 8 FSIP  
Environmental and S

### Disclosure

The project will ensure transparency in the preparation, conduct, reporting and evaluation of its activities. This includes full disclosure of all non-confidential information, and consultation with major groups and representatives of local communities. The disclosure of information shall be ensured through posting on websites and dissemination of findings through knowledge products and events. Project reports will be broadly and freely shared, and findings and lessons learned made available.

Disclosure of programme and project information helps stakeholders to participate effectively in project consultations. This information should be relevant, understandable, accessible and considered culturally appropriate by the stakeholders. Due attention will be dedicated to the specific needs (e.g. literacy, gender, disabilities, differences in language, accessibility of technical information or connectivity) of every person, irrespective of gender in the community groups affected by project implementation.

FAO projects must disclose information related to environmental and social risks and impacts through FAO disclosure portal. In any case, national or local legislation may specify disclosure requirements that should be complied with.



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### Annex F-1: Full Environmental and Social risk screening checklist from FPMIS



Full%20ES%20Risk%20Screening%20check

## ANNEX G: BUDGET AND WORK PLAN

The GEF budgetary allocation for the Project is USD 9.585 million covering three components for a five-year period, including PMC and M&E costs. Most of the budget is allocated to Component 2 as this is the component that directly focuses on activities to support food system transformation at farm and landscape level, including development of value chains and markets and delivery of GEBs.

The lack of aggregation, processing and storage facilities was identified as a barrier to food system transformation. The project intends to fund the establishment of Integrated Aggregation Centres that will provide cluster-based collection, cleaning, sorting and packing facilities. These centres will be linked to farmers and their SMEs to promote agrifood systems that are environmentally sustainable. In addition, the project has identified the need for a range of material and equipment inputs including maize, Napier grass, and cassava, machines for blending Total Mixed Rations (TMR) for dairy feed (to reduce GHG emissions), the establishment of strategically located milk collection centers equipped with chilling facilities and milk quality testing equipment, blast freezers and cold storage facilities for poultry value chains, Yak Fiber Processing Equipment, egg sorting and grading equipment, materials to support HWC mitigation measures, greenhouses, smart irrigation systems and materials (to reduce environmental footprints) and to develop branding, packaging, and design for local produce.

Refrigerated transport systems refer to the provision of detachable refrigerated containers for *Bolero* pickup trucks. The containers are suitable for refrigerated transport of meat, vegetable and dairy products. The project proposes to purchase up to 18 containers (three per *dzongkhag*) and provide these to private sector entities, including cooperatives, based on a process to be agreed by the PSC in consultation with FAO. The lack of refrigerated transport has been identified as a substantial constraint to transformation of the food system. The aim is to encourage the private sector to engage in refrigerated transport that links producers with aggregation centers and markets for environmentally sustainable produce. The private sector will need to prove that they can provide suitable vehicles for the duration of the project and that they guarantee to use these vehicles and the attached refrigerators to support project-targeted farmers, SMEs and communities.

In addition, funds have been earmarked to purchase a farm tractor for a youth group that is working on establishing a commercial agrifood production farm, and small farm machinery to farmers and farmer groups, notably to women and youth to promote ILM and CSA practices.

Specific budget (estimated at USD 300,000) has been allocated for the project to engage effectively with the FSIP-GCP and FSIP countries.

### BUDGET



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### WORK PLAN



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## ANNEX H: SUSTAINABILITY AND CAPACITY DEVELOPMENT

### Part A - Project's overall capacity development strategy

MoAL's organizational setup supports sustainable agriculture and food systems transformation through a well-defined structure comprising core technical departments focused on agriculture and livestock management supported by specialized agencies for agrifood marketing, policy planning, and human resources at various levels. The DoA focuses on sustainable crop production through agricultural research and development with key roles in providing technical assistance to farmers. These include empowering farmers to enhance their ability to implement sustainable agricultural practices and use of appropriate technologies. The National Soil Services Centre (NSSC) engages in soil research and provides recommendations for sustainable soil and land management practices for improved agricultural productivity. The Agriculture Research and Development Centers (ARDCs) at the regional levels conduct research on various agricultural practices, focusing on innovation and technology transfer to enhance productivity and sustainability. The DoL is responsible for livestock management, veterinary services, and promoting animal husbandry practices and to ensure the health and productivity of livestock populations across the country. The Department of Agricultural Marketing and Cooperatives (DAMC) oversees marketing strategies for agricultural products, ensuring quality control and providing training to farmers on packaging and market standards. It facilitates the establishment of cooperatives for better market access.

At the *Dzongkhag* level the *Dzongkhag* Agriculture Officers (DAOs) and *Dzongkhag* Livestock Officers (DLOs) implement national policies, provide technical guidance to farmers and coordinate local agricultural and livestock activities. They are supported by *Gewog* Extension Officers who work closely with communities to promote sustainable farming practices, assist with crop and livestock production plans, and facilitate farmer training programs.

Data and information management to enable the Ministry's operations are supported through the Integrated Agriculture and Livestock Census, the latest one being undertaken in 2020 by the National Statistics Bureau (NSB) which provides data on agricultural practices, focusing on crop production, livestock population, and farming practices. The Soil Atlas of Bhutan, published by the NSSC provides comprehensive soil information to guide farmers in making informed decisions regarding soil management.

Despite these good institutional arrangements, there remain some capacity gaps, particularly at *dzongkhag* and *gewog* levels, to address the barriers to achieving environmental sustainability and food systems transformation. Accordingly, the project includes targeted capacity building and investment in skill development and awareness raising activities for farmers, government staff and some private sector entities. This includes several key capacity gaps as follows:

#### **Governance and Policy:**

- A Multi-Stakeholder Forum for cohesive food system governance and coordination that fosters collaboration, drives systemic change and advances sustainable practices within the agrifood system will be established. The forum will enable sharing of knowledge and innovation and help to sustain actions beyond the life of the project.
- Continuous evaluation of agriculture and livestock input policies will be embedded in governance frameworks, ensuring evidence-based decisions that prioritize sustainability.

#### **Gender responsiveness**

- The project will ensure that the project team is well informed about the eastern region's cultural contexts and dynamics in relation to gender. Project implementation will emphasize the active participation of and consultation with female farmers, community leaders, female headed cooperatives and SMEs, youth and marginalized groups to identify gender-responsive, biodiversity friendly and climate resilient practices and approaches. Project activities will be

informed by an understanding of how women and men engage in farming and livestock management, value chains, markets and how they differentially utilize ecosystem services.

- Gender transformative training will be undertaken with targeted stakeholders.

#### **Sustainable agriculture and livestock Management:**

- Capacity will be built to enable the application of biosecurity measures in agriculture and livestock farming, including by building farmers' capacity for clean, safe, resilient and environmentally sustainable production practices.
- Training of extension officers will improve compliance with international biosecurity standards.
- Educating farmers on biosecurity measures will improve food safety and prevent disease outbreaks, contributing to food system stability and enhanced biosecurity.

#### **Agricultural Information Systems:**

- Capacity will be developed in the use of tools (e.g. Agriculture Marketing Information System) to support data-driven decisions and promote sustainability in agricultural trade.

#### **Enterprise and Agribusiness Development:**

- Training in agribusiness management and enterprise development will aim to boost productivity and sustainability, ensuring that agribusinesses are equipped to handle and certification processes.
- Capacity will be built to enable the sustained management of facilities and equipment provided by the project to local governments, farmer groups and cooperatives or private sector entities.

#### **Market Linkages and Branding:**

- Capacity will be built to expand market opportunities for agrifood products at global food expos thereby promoting environmental sustainability and economic resilience through international supply chains.
- Product visibility will be enhanced through media to create consumer interest, driving demand for environmentally sustainable Bhutanese food products.

#### **Knowledge Exchange and Networking:**

- Networking, technology transfer, and knowledge sharing will be promoted to strengthen collaboration and to encourage innovative practices through annual conclaves.

Sustainability beyond the life of the project will be supported by:

- The Multi-Stakeholder Forum for food system governance and coordination which can become a permanent platform for dialogue and governance, ensuring stakeholders' ongoing participation.
- Training programs and knowledge sharing will be integrated into the ARDC's and *Dzongkhag's* agriculture, livestock and economic development sectors enabling local actors to maintain sustainable practices independently.
- The establishment of strong international market linkages and consumer demand will support environmentally sustainable Bhutanese agrifood products beyond the project lifecycle through local private sector based agrifood enterprises and investments.

## ANNEX I: RESPONSES TO PROJECT REVIEWS

Initial description	Main changes from PIF	Justification
<p><b>Overall</b></p>	<p>Original Objective: To generate tools and capacities to ensure the long-term environmental sustainability of food systems and the delivery of global environmental benefits (GEBs)” changed to “To ensure the long-term environmental sustainability of food systems and the delivery of global environmental benefits (GEBs).”</p>	<p>Simplify and clarify</p>
	<p>GEF Core indicators were adjusted to match actual project activities.</p>	<p>The original Core Indicator worksheet included 284,644 ha under core indicator 4.3. This should have been recorded under indicator 4.1. Accordingly, 284,644 ha has been moved to indicator 4.1.</p> <p>It is estimated that 1,107,011 ha of the six target <i>dzongkhags</i> will be under improved management as a result of land use zoning informed by project lessons and linked to National Land Commission's initiative .</p> <p>The PIF included 14,101 ha under direct improvement to sustainable land management in production systems. The area has been revised to 23,735 comprising of 119 ha under direct farm level SLM activities and 23, 616 ha under SLM improvements scaled up through farmer training provided by the project</p> <p>The PIF included 12,567 ha under Core indicator 3. This has been adjusted to 33,824 ha comprising direct on-ground rangeland management interventions on 564 ha (3.1) and an additional area of 33260 ha covered under rangeland management plan supported by the project.</p> <p>The PIF included the number of direct beneficiaries as 49,688 (24,156 female and 25,532 male). This has been changed to 84,419 (40,957 female and 43,462 male). The revised beneficiary data is based on the actual population (PHCB, 2017) of the project <i>gewogs</i> and of urban areas within the proximity of these <i>gewogs</i>.</p> <p>The PIF included the 5,136,760 metric tons of CO<sub>2</sub>e of greenhouse gas emission mitigated. This was based on an estimate of the total land cover area of the 6 project districts. However, actual project interventions with influence over GHS reduction do not cover this geographic area. This has been revised to 1,005,456 metric tons of CO<sub>2</sub>e based on 33,824 ha of land</p>

Initial description	Main changes from PIF	Justification
<b>Component/ Outcomes</b>		that will be under rangeland management plan and 23, 616 ha crop land under SLM improvements.
<b>Components 1 and 2</b>	Component 1 and 2 were reordered so that PIF component 1 became Component 2 and Component 2 became 1	Reordering matches the Food Systems Integrated program component order
1.1: Farmers and SMEs adopt integrated approaches and Nabs, including landscape approaches, to foster profitable, equitable and climate-resilient farming systems	2.1: Farmers and SMEs adopt sustainable food production practices that deliver GEBs within a framework of integrated landscape management (ILM)	Simplified and reordered to capture contribution to GEBs
1.2: Agrifood system value chains, infrastructure and markets favor sustainable production and nutrition, generate employment and engage youth	2.2 Agrifood system value chains are more sustainable and resilient to shocks	Production aspects are covered under outcome 2.1. hence reference to production removed and outcome focused on resilient supply chains
2.1: National food system pathways and inter-sectoral collaboration mechanisms support sustainable, inclusive and gender responsive climate-smart and healthy agrifood system	1.1 Improved inter-sectoral collaboration mechanisms support sustainable and healthy agrifood system pathways	Focus on coordination as an enabling condition for sustainable, inclusive and gender-responsive, climate-smart and healthy agrifood system pathways. Bhutan already has effective agricultural policies
<b>Outputs</b>		
1.1.1: Enhanced technical support and outreach programmes for sustainable production of food and integrated management of farming systems	2.1.1: Enhanced support for sustainable production of food and integrated management of farming systems <i>within a framework of ILM</i>	ILM is an approach for sustainable production. Hence ILM from earlier 1.2.2 has been merged with this output  The words: technical and “outreach program” were deleted as suggest a long term technical program and not a project output
1.1.2: Digital tools facilitate farmers’ decision-making	2.1.2 has been removed	All project interventions related to digital tools and automation are part of enabling conditions for food system transformation. They have been merged with 1.1.2.

Initial description	Main changes from PIF	Justification
		Digital tools facilitate farmers' decision-making and catalyze FS transformation have been included as an activity under this output.
1.2.1: Businesses based on sustainable agrifood and livestock systems have strengthened capacities	2.2.1: Public private partnerships support investments for sustainable and resilient agricultural value chains that engage youth and are gender responsive	1.2.1, 1.2.3 and 1.2.4 in the initial submission all relate to private sector engagement and business promotions in food systems and capacity for the same. They have been merged into one output (2.2.1)
1.2.2: Environmentally optimized food system infrastructure supports sustainable food production while avoiding direct or indirect negative impacts, within a framework of ILM	2.2.2: Environmentally optimized Agrifood system <i>value chains</i> infrastructure supports <i>sustainable and resilient agrifood supply chains</i> while avoiding direct or indirect negative impacts	This output will focus on value chain gaps through required infrastructure (since sustainable production aspects will be covered by outcome 2.1, ILM element has been merged with 2.1.1)
1.2.3: Capacities and mechanisms support equitable local trade of sustainably produced and nutritious food to shorten supply chains/increase resilience in the face of future shocks	2.2.1	1.2.1, 1.2.3 and 1.2.4 in the initial submission all relate to private sector engagement and business promotions in food systems and capacity for the same. They have been merged into one output (2.2.1)
1.2.4: Mechanisms for private sector engagement in value and inputs chains that favour sustainable production	2.2.1	1.2.1, 1.2.3 and 1.2.4 in the initial submission all relate to private sector engagement and business promotions in food systems and capacity for the same. They have been merged into one output (2.2.1)
1.2.5: Tools, standards and capacities support decision-making and governance in support of sustainability in agrifood value chains	1.1.2	Tools, standards and capacities for decision-making including automation and digital tool are enablers to catalyze sustainability agrifood and its value chains transformation. Merged with 1.1.2.
1.2.6: Educational and outreach programmes address sustainability, nutrition and food sovereignty issues in an integrated manner, aimed at	3.2.1	Educational and outreach programmes are part of knowledge management. Hence merged with 3.2.1

<b>Initial description</b>	<b>Main changes from PIF</b>	<b>Justification</b>
changing consumer behaviour to favour sustainability		
2.1.1: Policies and regulatory mechanisms harmonized between sectors to enable the environmental sustainability of food systems	1.1.1: Policies, plans, regulations, and investment guidance harmonized to promote sustainable food systems.	<i>planning and investment</i> from earlier 2.1.2 has been merged with Policies, regulatory with mechanism as this relates to coordination
2.1.2: Strengthened inter-sectoral planning and investment prioritization processes support resilient production landscapes	1.1.1	Merged with Policies, regulatory with mechanism as it relates to coordination
2.1.3: Environmental sustainability and GEB considerations incorporated into annual food systems and agri-business conclave	3.2.1	Merged with 3.2.1 as an activity to enhance knowledge to facilitate investments into environmentally and financially sustainable agrifood systems
2.1.4: Cloud-based knowledge management system to support climate resilient, higher value production landscapes transformation	1.1.2 Standards and certification developed to meet export market requirements for sustainable agricultural products	Tools, standards and capacities for decision-making including automation and digital tool are enablers to catalyze sustainability agrifood and its value chains transformation merged with 1.1.2. Cloud-based knowledge management system to support climate resilient, higher value production landscapes transformation has been included as an activity under 1.1.2
3.1.1: Monitoring mechanism optimize effective, efficient and results-based adaptive management of agrifood system transformation.	3.1.1: Monitoring mechanism <i>with sustainability</i> dimensions optimize effective, efficient and results-based adaptive management of agrifood system transformation.	Monitoring sustainability dimensions (from earlier 3.1.2) is part of the monitoring mechanism. Hence merged with 3.1.1
3.1.2: Sustainability dimensions incorporated into the national food systems dashboard, to track performance, and provide a standard reference for all actors within the food system	3.1.1	Monitoring sustainability dimensions (from earlier 3.1.2) is part of the monitoring mechanism. Hence merged with 3.1.1  Establishing a national food system dashboard, to track performance, and provide a standard reference <i>with Science-technology-information (STI) interface</i> for all actors within the food system is included as an activity under 3.1.1

Initial description	Main changes from PIF	Justification
3.2.1: Science-technology-information (STI)/policy interface mechanisms enhance policymaking, decision-making and planning in support of the transformation of food systems towards sustainability	3.1.1	Science-technology-information (STI) interface is a tool to enable effective monitoring of project performance and to optimize effective, efficient and results-based adaptive management of agrifood system transformation.
3.2.2: Linkages to national, regional and global hubs/resources on sustainable agrifood systems and integrated landscape management established, enabling the management and exchange of knowledge and the stimulation of innovation	3.2.1: Linkages to national, regional and global hubs/resources on sustainable agrifood systems and integrated landscape management established, enabling the management and exchange of knowledge and the stimulation of innovation <i>and behavior change</i>	<p>The annual business conclave (from earlier 2.1.3) is a platform for knowledge management to enhance knowledge to facilitate investments into environmentally and financially sustainable agrifood systems.</p> <p>Establishing annual food systems and agri-business conclave incorporating environmental sustainability and GEB considerations is included as an activity under 3.2.1</p>

## ANNEX J: STAKEHOLDER ENGAGEMENT PLAN AND GRIEVANCE REDRESS MECHANISM

This annex summarizes elements that are addressed in the Stakeholder Engagement Plan.

### Stakeholder Engagement Plan

Stakeholder Name	Stakeholder Type	Stakeholder Profile	Stakeholder Engagement Methodology	Consultation Findings	How the findings were incorporated into the project	Expected timing
<b>Local Community level</b>						
Merak and Sakteng Pastoralists/Livestock Herders and Yak Dairy Product Group	Affected person/group	Local community	Community meeting/consultation, membership in sub committees, as focal persons Public involvement in practical training sessions and in project activities FPIC	Need for interventions to enhance the sustainability and productivity of rangeland resources Need to involve community in carrying out restoration in their own <i>Tsamdros</i>	A detailed implementation plan to be prepared for rangeland management in consultation with community (using FPIC)	First year of project and throughout project duration
Women in all Gewogs Single female headed households	Affected person/group	Vulnerable group	Stakeholder consultation/Focus group discussions	Not confident to speak up in community consultations	GAP implementation	First year of project and throughout project duration
Individual farmers benefitting from land development, green houses with automated irrigation, labour saving devices, training and capacity building, and human wildlife conflict measures	Affected person/group	Local community	Community meetings/consultation Stakeholder participation in training, demonstrations and awareness programs One on one consultation	Decreasing soil fertility No proper guidance on the production of vegetables Decreasing production due to pest and diseases Human-Wildlife Conflict is a pressing issue Interest in expanding vegetable cultivation through provision of additional greenhouses as they are not confident of accessing loans to buy green houses Lack comprehensive knowledge on cultivation practices, Climate constraints Lack of certification for organic standards	Assistance to farmers has been included in component 2.	During project inception to plan project activities, refine site location and beneficiary selection Implementation throughout project duration

Stakeholder Name	Stakeholder Type	Stakeholder Profile	Stakeholder Engagement Methodology	Consultation Findings	How the findings were incorporated into the project	Expected timing
Farmers (Khaling)	Affected group	Local community	Community meeting/consultation Stakeholder participation in training, demonstrations and awareness programs	Farming on 10 acres of land with manual tools is very difficult. Need assistance for machinery. The site lacks resting area, storage facility, work shed and toilet. The group is struggling with marketing, and has little knowledge and experience in accounting, packaging or marketing.	Included in component 2 activities	Implementation throughout project duration
Livestock owners- Poultry and Dairy	Affected group	Local community	Community meeting/consultation Stakeholder participation in training, demonstrations and awareness programs	Need: Improved inputs, strengthen biosecurity measures, address market access constraints and provide market information to enable farmers to access markets; build capacity on production practices, disease management, and market linkages. For livestock: breed improvement, feed availability, and animal health management; improve access to modern milking equipment and processing facilities; address market access constraints and price volatility; seek investment in infrastructure and technology Improve milk quality (high microbial content), address high milk landing prices, whey water management, replace aging machinery, and improve packaging.	Included in component 2 activities	Implementation throughout project duration
Aggregators	Affected group	Local community	Community meeting/consultation Stakeholder participation in trainings, demonstrations and awareness programs	Scattered production in remote villages makes collection expensive and challenging Need for market infrastructure, and linkages with markets	Included as component 2 activities	Implementation throughout project duration

Stakeholder Name	Stakeholder Type	Stakeholder Profile	Stakeholder Engagement Methodology	Consultation Findings	How the findings were incorporated into the project	Expected timing
Processors	Affected group	Local community	Community meeting/consultation Stakeholder participation in training, demonstrations and awareness programs	Limited processing facilities for drying, cleaning, dehushing, milling, and packaging quinoa, or for milling and value addition for buckwheat Inconsistent processing standards; underdeveloped value-added products; limited market access to regional or international markets; inadequate market information on market trends and consumer preferences. Agri- value chain lack proper packaging, standardization and certification. Focused interventions required in commodity improvement and vacuum packaging.	Included as component 2 activities	Implementation throughout project duration
Project community	Affected party	Local community	Community consultation Information provision and feedback	Project activities involving construction, processing units, and large scale farming/livestock farms will require water and have potential impacts on communities	Included in ESMP	Site/commodity specific ESMPs to be developed prior to commencing activities Implementation throughout project duration
Vulnerable communities	Affected party	Local community	Stakeholder consultation Information provision and feedback	Need to bring marginal farmers into development mainstream and ensure the project benefits them	Included as beneficiary	Implementation throughout project duration
Agricultural extension officers, local government officials	Interested party	Government	Stakeholder consultation Information provision and feedback	Lack of awareness of protocols, phytosanitary standards, postharvest handling, Biosafety,	Included in capacity development and as focal persons for project activities	In year one and throughout the project as needed
Samjong (youth) Cooperative Samdrup Jongkhar	Affected party/beneficiary	Youth Cooperative	Stakeholder consultation	Cooperative has members from all gewogs and has great potential for local niche products and branding	Included as beneficiary	In year one and throughout the project as needed
<b>Interested Parties – National and Regional level</b>						

Stakeholder Name	Stakeholder Type	Stakeholder Profile	Stakeholder Engagement Methodology	Consultation Findings	How the findings were incorporated into the project	Expected timing
Project Steering Committee (PSC) PMU MOAL	Interested party	Government	Stakeholder consultation Information provision and feedback	Needs for improved coordination among stakeholders and to minimize environmental and social impact	Included in multistakeholder forum activities	In year one and throughout the project as needed
BFDA, Ministry of Health	Interested party	Government	Stakeholder consultation Information provision and feedback	Biosafety concerns	Included as key implementing agency for Biosafety measures	In year one and throughout the project as needed
Department of Culture and Dzongkhag Development, Cultural Officers	Interested party	Government	Stakeholder consultation Information provision and feedback	Impacts on cultural heritage	Implementation of chance find procedures	In year one and throughout the project as needed
DoFPS, Divisional Forest offices, Protected Area management, Range offices	Interested party	Government	Stakeholder consultation and active engagement Information provision and feedback	Provide forestry clearance and permit for activities within protected areas, government reserve forest Collaboration in implementation of Rangeland activities	Included in ESMP	In year one and throughout the project as needed
Dzongkhag Environment Committee Department of Environment and Climate Change, MoENR	Interested party	Government	Stakeholder consultation IP- Information Provision, IF- Information Feedback	Provide Environmental Clearance for 'Blue activities that include medium and large-scale farming and livestock production	Included in ESMP	In year one and throughout the project as needed
National Soil Services Centre, MoAL, National Plant Protection Centre National Biodiversity Centre	Interested party	Government	Stakeholder consultation IP- Information Provision, IF- Information Feedback	Provide expertise	Included as focal agencies for specific expertise	In year one and throughout the project as needed
<b>Interested Parties – Dzongkhag and local level</b>						
Dzongkhag Officers DAO, DLO, DE, Legal Officers	Affected party/beneficiary	Government	Stakeholder consultation Information provision and feedback	Gyalsuung academies identified a big market for the agricultural produces	Included as beneficiary	In year one and throughout the project as needed
Academic institutions	Affected party/beneficiary	Non-government	Stakeholder consultation	This is a potential market for agricultural products		

Stakeholder Name	Stakeholder Type	Stakeholder Profile	Stakeholder Engagement Methodology	Consultation Findings	How the findings were incorporated into the project	Expected timing
Monastic institutions	Affected party/beneficiary	Non-government	Stakeholder consultation	This is a potential market for agricultural products	Included as a project activity to institutionalize supplies and improve linkage for marketing of products	In year one and throughout the project as needed
Hospitals	Affected party/beneficiary	Government	Stakeholder consultation	This is a potential market for agricultural products		
Bondeyma and Pemathang Gyalsung academies	Affected party/beneficiary	Government	Stakeholder consultation	Gyalsung academies identified a big market for the agricultural produces	Included as beneficiary	In year one and throughout the project as needed
<b>Interested Parties – Dzongkhag level</b>						
DAO, DLO, DE, EO, PO, Legal, EDO, ARDC, Wengkhaz	Interested party	Government	Stakeholder consultation Information provision and feedback	Focal persons need to implement field activities	Included as task force members and focal persons	In year one and throughout the project as needed
<b>Private Sector</b>						
Contractor	Interested party	Non-Government	Stakeholder consultation	Requirement of infrastructure works to be carried out	Included in ESMP	Periodically during implementation
Entrepreneurs	Interested party	Non-Government	Stakeholder consultation	Limited market access and inadequate infrastructure hinder private enterprise growth, particularly in remote areas.	Included as component 2 activities	Periodically during implementation
Transporters and Machine operators	Interested party	Non-Government	Stakeholder consultation	Requirement of vehicles and machinery for land development and material transportation	Included in ESMP	Periodically during implementation
<b>Corporation</b>						
FMCL	Interested party	Non-Government	Stakeholder consultation	Requirement of machinery and agricultural inputs	Included as partner for project activities	Periodically during implementation
<b>CSO/ NGOs</b>						
CSO/NGO	Interested party	Non-Government	Stakeholder consultation and active involvement in GRM resolution	Lack of capacity and knowledge to deal with GBV/SEAH cases	Included in ESMP	Throughout project implementation

## Stakeholder engagement

Project stakeholders include the following

- a. **Project affected persons or groups** that are likely to be affected directly or indirectly, either positively or adversely by the project. These include farmers, livestock owners, youth groups, Gyalsung academies, pastoral communities, operators of farm machinery, supply agents and contracted workers, consultants
- b. **Project interested individuals, groups, or organizations** with an interest in the project, because of the project location, its characteristics, impacts, or matters related to public interest. These include project implementors and partners: Ministry of Finance, Ministry of Agriculture and Livestock MoAL (PPD, DoA, DoL, DAMC, National Biodiversity Center, ARDC Wengkhari), Corporations including FMCL, Gyalsung academies, National Soil Services Centre (NSSC), *Dzongkhag* Administration including Dzongkhag Agriculture Officers (DAOs) and Dzongkhag Livestock Officers (DLOs), Dzongkhag Planning, Gender, Environment, *Gup, Gewog* Extension Officers, Ministry of Energy and Natural Resources, Department of Forest and Park Services (SWS, JWS, BWS and Trashigang, Mongar, Samdrup Jongkhar, Pema Gatsel Forestry Divisions), Bhutan Food and Drug Authority (BFDA), Ministry of Health, Bhutan Agro Industries Limited, Thimphu, Bhutan Livestock Development Corporation Ltd., Farm Machinery Corporation Ltd, Tarayana Foundation (TF)
- c. **Vulnerable or disadvantaged groups** in the project area or its vicinity who, by virtue of their age, race, ethnicity, religion, disability, social status, sexual orientation, gender identity, economic disadvantages, indigenous status, and dependence on unique resources may be adversely affected than others or more likely be limited in their ability to participate and take advantage of the project.

The goal of stakeholder engagement is to seek necessary approvals, inform stakeholders about the project activities, identify, and discuss environmental and social issues of concern and seek suggestions to address these concerns and incorporate impact mitigation and enhancement measures.

An emphasis for engagement will be placed on managing expectations and misconceptions regarding the project, establishing the significance of environmental, social and health impacts identified and providing engagement opportunities to ensure that the benefits of the project are maximized, equitable and that no major potential impacts have been overlooked.

The engagement process will provide an opportunity for those otherwise unrepresented to present their views and values, reducing conflict through early identification of any contentious issues and seek acceptable solutions.

The SEP will be **targeted** on specific stakeholders and adapted to suit the objectives of the engagement, with special arrangements to facilitate access to information and decision-making by vulnerable groups: women, illiterate, unemployed, retired and marginalized persons.

**Assessment and Mapping** will be conducted to identify families with vulnerable groups, including but not limited to: Elderly people above 65 years, female headed households, unemployed youth, families with disabilities, marginalized minority communities, low-income households (below poverty line), and persons who will be displaced during site selection

Households with vulnerable persons will be invited to attend consultations from the need assessment stage so that their concerns are reflected from the initial stages of project implementation. They will be provided with prior information regarding the project objectives and activities so that they can make informed choices regarding their participation in the project. For those interested, their participation will be encouraged

through timing of consultations to avoid conflict with peak working hours, providing safe space for meetings and conducting focus group discussions especially if there are some lacking in confidence to participate in large meetings.

## Grievance Redress Mechanism

### Part A (for external distribution/ disclosure)

#### 1. Main contact details

Do you have a grievance or suggestion about the project *Enhancing Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness?*

You can use any of the channels below free of charge to contact us. Your grievance will be handled confidentially by the Food and Agriculture Organization of the United Nations.

Information on the project can be found [here](#).

Phone:	+975 2 322424
Email:	FAO-BT@fao.org
WhatsApp (including voice messages):	+97517112155
Suggestion box address:	FAO Bhutan UN House, Peling Lam, Kawajangsa, Thimphu, Bhutan

#### 2. Purpose of GRM and guiding principles

This is the Grievance Mechanism for the office *Enhancing Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness (FSP)*, implemented by the Food and Agriculture Organization of the United Nations and the Ministry of Agriculture and Livestock, Royal Government of Bhutan (RGoB) between 2025 and 2030.

A project level GRM is available for anyone to file grievances related to the project.

Contact information and information on the process to file a grievance or make a suggestion related to the project will be disclosed in all relevant meetings, workshops and other events throughout the life of the project. In addition, awareness raising material will include the necessary information regarding the contacts and the process for filing grievances.

The project will also be responsible for documenting and reporting as part of the safeguards performance monitoring on any grievances received and how they were addressed.

FAO is committed to ensuring that its projects and programs are implemented in accordance with the Organization's environmental and social obligations. Concerns of non-compliance must be addressed at the closest appropriate level, i.e., at the project management level, and if necessary, at the FAO Country Office or Regional Office level.

If a concern or grievance cannot be resolved through consultations and measures at the project management level, a grievance requesting a Compliance Review may be filed with the FAO Office of the Inspector General in accordance with the Guidelines for Compliance Reviews Following Grievances Related to the Organization's Environmental and Social Standards. Project Managers will have the responsibility to address concerns brought to the attention of the officially designated project grievance focal point.

The **principles** to be followed during the grievance resolution process include confidentiality, impartiality, respect for human rights, including those pertaining to indigenous peoples, compliance of national norms, coherence with the norms, equality, transparency, honesty, and mutual respect.

#### 3. Who can file a grievance and how

Anyone can file a grievance or make a suggestion related to the project. Your grievance will be handled confidentially.

To facilitate our understanding of your grievance, please include as much information as possible. For example: what happened, who was involved, when did it happen.

#### 4. From grievance to resolution

The mechanism for grievance redress includes the following stages:

1. In the instance in which the individual or group have the means to directly file the grievance, he/she has the right to do so, presenting through the indicated channels of the project (i.e.: email, mailbox, phone, etc.). The process of filing a grievance will duly consider confidentiality, and if requested by the individual or group bringing the grievance, anonymity as well as any existing traditional or indigenous dispute resolution mechanisms and it will not interfere with the community’s self-governance system.

2. The individual or group bringing the grievance files a grievance through one of the channels of the grievance mechanism. This will be sent to the Project grievance focal point to acknowledge and log the grievance, assess whether it is eligible and determine responsibility for attempting to resolve the grievance in line with the processes agreed for the project. The confidentiality of the grievance will be preserved during the process. For every grievance received by the project grievance focal point, written proof will be sent within ten (10) working days; afterwards, a resolution proposal will be made within thirty (30) working days.

The Grievance focal point will also be responsible for recording the grievance and how it has been addressed if a resolution was agreed.

3. If the situation is too complex, or the individual or group bringing the grievance does not accept the proposed resolution, the Grievance focal point must be informed and they must send the grievance to the next highest level, until a solution or acceptance is reached.

4. In compliance with the resolution, the person in charge of dealing with the grievance may interact with the individual or group bringing the grievance, or may call for interviews and meetings, to better understand the reasons.

#### Resolution

Upon acceptance of a solution by the individual or group bringing the grievance, a confidential record will be maintained.

Review Level	Contact Details
Project Level	At <i>gewog</i> level – the Gewog Administrative Officer At <i>dzongkhag</i> level - the District Environment Officer/ District Planning Officer At project level – the Project GRM Committee
Next level	FAO Bhutan UN House Peling Lam, Kawajangsa, Thimphu, Bhutan FAO-BT@fao.org
Office of the Inspector General (OIG)	Contact FAO's independent Office of the Inspector General: - To report non-compliance with FAO's environmental and social management guidelines in case your grievance cannot be resolved through the previously mentioned channels; - To report non-compliance with FAO's environmental and social management guidelines in case you have a good reason for not approaching the project management (e.g., fears about your safety);

	<p>- To report possible <b>fraud and other corrupt practices, as well as other misconduct such as sexual exploitation and abuse.</b></p> <p>By confidential hotline (online form &amp; by free-of-charge worldwide phone numbers with interpreters available 24 hours/day):  <a href="http://fao.ethicspoint.com">fao.ethicspoint.com</a></p> <p>By e-mail: <a href="mailto:Investigations-hotline@fao.org">Investigations-hotline@fao.org</a> or <a href="mailto:inspector-general-office@fao.org">inspector-general-office@fao.org</a></p> <p>By mail:  Office of the Inspector General  Food and Agriculture Organization of the United Nations  Viale delle Terme di Caracalla  00153 Rome, Italy</p>
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**Part B (FAO-internal. To be uploaded in FPMIS together with Part A)**

**5. GRM positioning**

The project GRM is consistent with the approach taken by the FAO Bhutan Country Office and with other FAO projects in Bhutan.

The GRM process for the project will follow the following hierarchy:

**Level 1:** The project GRM will comprise three sub levels:

- a) Project overall level
- b) *Dzongkhag* level
- c) *Gewog* Level

The procedure is detailed in the project-level GRM.

**Level 2:** If the complaint has not been solved and could not be solved at level 1, the National Project Coordinator (NPC) will elevate it to the FAO Representative in Bhutan.

**Level 3:** If the complaint has not been solved and could not be solved at level 2, the FAO Representative in Bhutan may elevate it to the Project Steering Committee (PSC).

**Level 4:** If the complaint has not been solved and could not be solved at level 2, the FAO Representative in Bhutan may elevate it to the FAO Regional Office for Asia and the Pacific (RAP).

**Level 5:** For very specific or complex problems, the FAO Regional Representative may request the assistance of the FAO Inspector General.

Project Management Unit (PMU)	Must respond within 5 working days.
FAO Representation in Bhutan	Anyone in the FAO Representation may receive a complaint and must request proof of receipt. If the case is accepted, the FAO Representative must respond within 5 working days in consultation with FAO's Representation and Project Team. FAO Representative in Bhutan e-mail: <a href="mailto:FAO-BT@fao.org">FAO-BT@fao.org</a> Tel: +975 2 322424
Project Steering Committee (PSC)	If the case cannot be dealt with by the FAO Representative, he/she must send the information to all PSC members and call for a meeting to find a solution. The response must be sent within 5 working days after the meeting of the PSC.

FAO Regional Office for Asia and the Pacific (RAP)	Must respond within 5 working days in consultation with FAO's Representation. Regional Representative Tel: (+66) 2 697 4000
Office of the Inspector General (OIG)	To report possible fraud and bad behavior by fax, confidential: (+39) 06 570 55550 By e-mail: Investigations-hotline@fao.org By confidential hotline: (+ 39) 06 570 52333

## 6. Communications plan

The project-level GRM includes information on how the GRM is to be communicated. Stakeholders were provided with clear information about the GRM, including the contact details of the focal points and instructions on how to file a complaint.

## 7. Capacity building

The project includes a budget for training in grievance management to the GRM focal point, *dzongkhag* focal points and project team members. This will include training on the intake and referral process for grievances related to sexual exploitation and abuse.

## 8. Monitoring and evaluation

The GRM focal point for the project shall ensure that grievances/feedback reports include data on: Numbers of grievances/feedback received; Compliance with agreed response times; Issues raised in grievances/feedback; Trends in grievances/feedback over time; The causes of grievances/feedback; Whether remedial action was warranted; Whether redress was provided; and recommendations/strategies to prevent or limit future recurrences. In any case a report shall be provided each year as a minimum, even if no grievances have been received.

## 9. Budget

Adequate budgetary resources have been allocated for the grievance mechanism in the project budget and FAO shall communicate budget information to the GRM focal point.

## 10. Workers' GRM:

The project GRM shall be used for any grievances from workers employed through the project, whether raised by individuals or a community. The project GRM allows all workers to raise concerns of violations of rights and entitlements as provided in agreements, employment contracts and human resources policies

Workers should be made aware that their grievances will be handled confidentially and that for any grievance related to misconduct, including sexual exploitation and abuse, they may contact FAO directly if they prefer. Grievances may be lodged anonymously if requested by the individual or group bringing the grievance. In any case, the grievance mechanism will be accessible to all direct and contracted workers, taking into account their different characteristics, for example, female workers, migrant workers, or workers with disabilities. As far as possible, male and female staff members shall be made available to receive and process grievances.]

The FAO project grievance focal point must be made aware of any grievances received.

### Project-level grievance mechanism

The project will review and update as necessary this project-level grievance redress mechanism (GRM) during the project inception phase.

Contact information and information on the process to file a grievance or make a suggestion related to the project will be disclosed in all relevant meetings, workshops and other events throughout the life of the

project. In addition, awareness raising material will include the necessary information regarding the contacts and the process for filing grievances.

The project will be responsible for documenting and reporting as part of the safeguards' performance monitoring on any grievances received and how they were addressed.

### **Guiding principles**

The project-level GRM will provide a mechanism to address and resolve grievances for all project-affected persons/parties, but will not be a substitute for, or prevent access to, judicial and administrative action. The GRM will be readily accessible to all persons/parties, transparent, respect the confidentiality of aggrieved persons, be non-retaliatory and include a triangulation and feedback system.

Any individual may choose to be represented by another individual or group but must grant the representative a written authorization for representation.

The **principles** to be followed during the grievance resolution process include confidentiality, impartiality, respect for human rights, including those pertaining to vulnerable peoples, compliance of national norms, and coherence with the norms, equality, transparency, honesty, and mutual respect

In line with FAO 's 'zero tolerance' policy towards Sexual Exploitation and Abuse (SEA), the project will incorporate appropriate mechanisms to address incidents of Gender Based Violence (GBV) and Sexual Exploitation and Abuse (SEA). To ensure that the GRM is accessible to females, the GRM committee should include a female member in the committee

Additionally, the project GRM will handle any grievances from workers employed through the project, whether they come from individuals or a community, in accordance with the ES 4 standards for decent work. The GRM will allow all workers to raise concerns about violations of rights and entitlements as provided in collective agreements, employment contracts, and human resources policies.

### **Grievance Criteria**

The criteria for submitting a grievance are that the aggrieved person or party may have a foreseeable concern about the potential impact of project activities or that project activities must have resulted in a negative economic, social, or environmental impact on an individual or group.

### **GRM process**

The project GRM will be designed in a culturally and locally appropriate manner so that it is able to respond to the needs and concerns of all project-affected persons or parties.

The GRM process will comprise three tiers:

1. Project level – Project GRM Committee
2. Dzongkhag level – District GRM Committee
3. Gewog Level – Gewog GRM Committee

Each of the project gewogs will create a GRM committee with a nominated grievance focal person who will receive any grievance via phone, email, in person, or through a representative. The GRM focal point will immediately log or record the grievance, acknowledge receipt of the grievance, inform the complainant or aggrieved person(s) of the GRM criteria, and provide a process and timeline for the resolution of grievances.

The GRM focal point will evaluate the grievance to determine its relevance to the project. If determined appropriate, they will notify the aggrieved person or party that the grievance has been recorded, will be discussed at the GRM, and the decision will be communicated back within 2 weeks of the date of receipt of the grievance. The focal point will also be responsible to provide updates to the GRC on the progress of the grievance redress process.

The GRM focal point, with the consent of the GRM chair, will convene the Grievance Redress Committee (GRC) meeting. The participating members will sign the minutes of the meeting. The focal point will relay the decision to the aggrieved person via phone, SMS, or social media, and then follow up with an official written document. If the GRC is not able to decide on an appropriate outcome, it may choose to refer the grievance to the next level.

Grievance resolution at the Dzongkhag and Project Management levels will follow the same process as at the Gewog GRM level. However, to adequately confirm whether the grievance is project-related, the Committee may consult the GRM committee at the lower level, the aggrieved person or party, and any other relevant person or party (e.g. contractor/business entity).

Upon acceptance of a solution by the individual or group bringing the grievance, a confidential record will be maintained by the GRM focal person at every level (gewog, dzongkhag, and project management). The record must include details such as date, type of grievance, action taken, date of GRC meeting, date of informing the aggrieved person or party and date of verification of action or remedial measures taken).

### Members of the GRM committee

The members in each GRM committee are shown in the table below.

Position	Gewog	Dzongkhag	Project
Chair	Gup	Dzongdag	Secretary
GRM Focal Point	Gewog Administrative Officer	District Environment Officer/ District Planning Officer	PPD
Members	Gewog Agriculture Officer Gewog Livestock Officer Mangmi Tsogpa of respective village	District Agriculture Officer District Livestock Officer District Environment Officer District Legal Officer	Selected members from the NTF

### Roles and Responsibilities of the GRM Committee include

The committees shall undertake the following roles:

1. Ensure the resolution of grievances in a transparent, impartial, timely, and objective manner.
2. Follow the GRM procedure, prioritize, and resolve the grievance objectively, at the earliest possible time, or within 15 (30) working days.
3. To adequately confirm whether the grievance is project-related, consult the lower level GRM committee, the aggrieved person or party, and the third party if required.
4. Maintain a quorum of at least three members during GRM committee meetings.

### Roles and Responsibilities of the GRM Focal Person include

- For every grievance received by the project GRM focal point, written acknowledgement will be sent within ten (10) working days to the aggrieved person or party
- Maintain a grievance log of all grievances received, and record of all meetings and outcomes of GRCs.
- Inform the aggrieved person or party of the GRC resolution within 3 days of the meeting.
- Inform the GRM focal at the next level if a grievance is being escalated and submit written documentation of discussions with the aggrieved person/party and minutes of meeting and decision of the GRC.
- Organize briefing sessions to train new GRC members on the GRM process, considering the possibility of member transfers throughout the project.

- Follow monitoring protocols and submit timely reports to Project Management and assess implementation of corrective actions as direct by the GRC.
- Ensure that the confidentiality of the aggrieved persons is maintained by not disclosing personal details and ensure compliance with the grievance procedure for gender-related grievances.

### **Communications Plan and Disclosure**

The MoAL will circulate the GRM procedure for review and consensus to all relevant Dzongkhags.

To ensure accessibility and transparency, the GRM process will be disclosed on the MoAL and MoF websites and on the six project Dzongkhag Websites. The GRM process translated in Dzongkhag will also be posted on the Gewog Office and disseminated through Gewog and Chiwogs Social media networks.

At the field level, all District Agriculture and Livestock Officers will sensitize project communities about the GRM through sensitization briefings in the local language. Once sensitized, the Local Government, Gewog Agriculture and Livestock Officers will in turn further disseminate the GRM information to their respective communities.

The GRM forms will be translated into *Dzongkhag* and will be readily available at the *Gewog* Office or maintained with the respective *Tsogpas* of each *Chiwogs*.

The MoAL shall adhere to the project's Stakeholder Engagement Plan to guarantee that all stakeholders are aware of the GRM process.

### **Sensitization and Capacity Building**

Training on the GRM process will be provided to all GRM committee members once nominated. As and when GRM committee members are replaced, new members will be trained. The training will include roles and responsibilities of GRM committee members and the GRM focal person, criteria for decision making, record keeping, communication decisions to the aggrieved person /parties, reporting and assessment of remedial actions, tracking, monitoring and evaluating the GRM process and results. Where applicable, training will also be provided on applicable laws, rules, regulations and standards to improve the decision-making process. Training will also be provided on grievance intake, confidentiality and referral process for GBV/SEA cases.

### **Referral or third-party assessment**

If required, a third party may be consulted in case the GRM committee does not have the capacity to conduct technical assessments (e.g. damage assessments) or validate and establish the real cause of grievance.

### **Monitoring and Evaluation**

The GRM focal person will be responsible for tracking and monitoring the process of grievance redress as well as the timely and efficient implementation of the decisions made. Reports on the status of grievances received must be submitted to Project Management as part of the monthly or quarterly progress reports or in alignment with the project M&E system.

At the end of each year, the effectiveness of the GRM will be assessed in terms of the mechanism, accessibility, capacity of committee members, and trends so that appropriate interventions or strategic changes can be instituted where needed to improve the mechanism, take timely corrective action, and prevent repeat incidences or issues.

### **Budget**

Budget will be allocated by the project under ES capacity building to conduct training of the GRC, translation and dissemination of the GRM procedures to the community through handouts and social media.

## ANNEX K: GENDER ANALYSIS AND ACTION PLAN



Annex%20K%20Gender%20analysis%20e

## ANNEX L: TOR OF PROJECT CORE STAFF

### SUMMARY OF TOR FOR PROJECT STAFF

Position	Term of Reference	Time/Input
Project Director (RGoB Financed)	<p>The Project Director (funded by RGOB) will be responsible for the overall operational direction, supervision, and management of the project, ensuring its successful implementation in alignment with the approved project document, annual work plans, and budgets. The PD will be responsible for the following:</p> <ul style="list-style-type: none"> <li>• Supervise and guide the Project Manager on overall project management</li> <li>• Facilitate effective coordination and collaboration among project stakeholders to achieve project objectives.</li> <li>• Review annual work plans and budgets for submission to the PSC for approval.</li> <li>• Enhance coordination to ensure project implementation as per approved project design, work plans and budgets.</li> <li>• Ensure recruitment of technically competent project staff and consultants.</li> <li>• Ensure timely submission of technical and financial progress reports in accordance with the project requirement.</li> <li>• Represent the project as the national focal point in interactions with the PSC, funding agencies, and other stakeholders.</li> <li>• Promote effective communication and coordination among project partners and stakeholders.</li> </ul>	5 years - 240 weeks/5 years
Project Manager	<p>The Project Manager (PM) will be responsible for the overall management and coordination of the project, ensuring its successful implementation in accordance with the approved project document, annual work plans, and budgets. The key responsibilities and duties of the PM include:</p> <ul style="list-style-type: none"> <li>• Manage and oversee the execution of project activities as per the approved project document, annual work plans, and budgets.</li> <li>• Review and validate annual work plans and budgets for submission to the PSC for approval.</li> <li>• Organize PSC meetings, annual project reviews, and planning meetings, including the preparation and circulation of agenda and documents at least two weeks in advance. Act as the Member-Secretary to the PSC meeting.</li> <li>• Ensure the timely production and circulation of PSC meeting minutes within a week after the meetings.</li> <li>• Liaise with FAO Bhutan CO (GEF Agency), DMDF, MoF (GEF OFP), and Operational Partners for effective project management.</li> <li>• Establish and maintain relationships with relevant agencies and projects to facilitate learning, sharing experiences, and developing synergies.</li> <li>• Facilitate mid-term and terminal evaluations of the project.</li> <li>• Conduct annual monitoring visits to project sites to assess implementation progress and interact with local stakeholders.</li> </ul>	60 months

	<ul style="list-style-type: none"> <li>● Manage and monitor project risks, maintain the project risk log, and submit new risks to the PSC for review and decision on possible actions.</li> <li>● Identify, analyze, and document best practices and lessons learned from project implementation and share them with stakeholders to enhance the project's effectiveness.</li> <li>● Identify capacity needs of PMU staff and accordingly arrange capacitation.</li> <li>● Provide guidance and support to the project team and stakeholders involved in the project implementation.</li> <li>● Manage financial resources and accounting to ensure the accuracy and reliability of financial reports.</li> <li>● Prepare and submit quarterly financial reports to FAO.</li> <li>● Prepare the Project Progress Report in the FAO template and submit it to the PSC and FAO on a six-monthly basis.</li> <li>● Prepare the annual Project Implementation Report in the GEF template and submit it to the PSC and FAO.</li> <li>● Identify value addition opportunities within agricultural value chains, focusing on high-demand niche commodities or processed food products.</li> <li>● Identify and establish market linkages to connect farmers and producers with buyers, processors, and exporters.</li> <li>● Conduct market research to identify trends, consumer preferences, and potential markets for new and existing agricultural products.</li> <li>● Lead the development of new agricultural products, focusing on value addition, improved quality, and market alignment.</li> <li>● Collaborate with stakeholders on packaging, labeling, and branding strategies to promote Bhutanese agricultural products.</li> <li>● Establish and implement quality assurance protocols to ensure that products meet both national and international standards.</li> <li>● Provide training to farmers, agribusinesses, and food processors on product development, quality control, and market requirements.</li> </ul>	
<p>Monitoring and Evaluation Officer</p>	<p>The Monitoring and Evaluation (M&amp;E) Officer will be responsible for developing and overseeing the implementation of the project's M&amp;E plan, ensuring alignment with FAO and GEF reporting requirements and standards, as well as the Royal Government of Bhutan's M&amp;E needs. The key responsibilities and duties of the M&amp;E Officer include:</p> <ul style="list-style-type: none"> <li>● Develop an annual M&amp;E plan for the project.</li> <li>● Oversee the implementation of the project's M&amp;E plan, including periodic appraisal of the project's theory of change and results framework based on actual and potential project progress and outcomes.</li> <li>● Align the project's M&amp;E requirements with those of the RGoB to ensure effective coordination and integration of both RGoB and FAO M&amp;E requirements.</li> <li>● Monitor project progress in accordance with FAO and GEF reporting requirements and standards.</li> <li>● Ensure timely submission of progress reports to the Project Manager and other relevant stakeholders.</li> <li>● Conduct annual monitoring of indicators as outlined in the project results framework and report on the findings.</li> <li>● Coordinate with consultants and closely observe impact assessment work to ensure the quality of findings.</li> <li>● Oversee and guide the design of assessments commissioned for monitoring and evaluating the project's results.</li> <li>● Facilitate mid-term and terminal evaluations of the project.</li> <li>● Facilitate annual reviews of the project and publish analytical reports.</li> </ul>	<p>60 months</p>

	<ul style="list-style-type: none"> <li>● Liaise with stakeholders, including Dzongkhag Focal Point, FAO, and responsible parties, for the implementation of project activities related to M&amp;E and knowledge resource management.</li> <li>● Facilitate knowledge generation by supporting the documentation of emerging best practices and lessons learned.</li> <li>● Undertake visits to project sites as required to appraise the project's progress and document findings in written progress reports.</li> <li>● Maintain accurate records and data pertaining to the project, ensuring the integrity and accessibility of the information.</li> <li>● Oversee the design of assessments for monitoring and evaluating results.</li> <li>● Document and disseminate lessons learned and findings from technical studies.</li> <li>● Facilitate evaluations, annual reviews, and small-scale studies to assess progress and improve the project.</li> <li>● Report to the Global Coordination Project on standardized programme-wide indicators</li> <li>● Gather and share information on lessons learned in a systematic and consistent manner, among countries and with the GCP.</li> </ul>	
<p>Knowledge Management &amp; Communication Officer</p>	<p>The Knowledge Management &amp; Communication Officer (KMCO) will be responsible for developing and implementing the project's communication strategy, facilitating knowledge generation and documentation, and coordinating public awareness activities. The KMCO will ensure that all communication and knowledge management initiatives align with the project's objectives and contribute to its overall success. The key responsibilities and duties of the KMCO include:</p> <ul style="list-style-type: none"> <li>● Develop a comprehensive communications strategy and plan in consultation with stakeholders.</li> <li>● Update the plan annually to ensure relevance and effectiveness.</li> <li>● Support documentation of good/best practices and lessons learned.</li> <li>● Ensure knowledge is captured, organized, and shared effectively.</li> <li>● Collaborate with a team to identify and document valuable knowledge assets.</li> <li>● Oversee implementation of knowledge management activities and outputs in Component 3.</li> <li>● Coordinate public awareness activities across project components.</li> <li>● Liaise with the media to disseminate project events and activities of interest.</li> <li>● Organize and facilitate knowledge-sharing events, workshops, and training.</li> <li>● Encourage exchange of ideas and best practices among partners and stakeholders.</li> <li>● Create materials like brochures, press releases, audiovisuals, and leaflets to disseminate project activities and achievements.</li> <li>● Ensure materials are engaging, informative, and aligned with branding and messaging.</li> <li>● Create compelling content to showcase project progress, impact, and success stories.</li> <li>● Collaborate with team and partners to gather information and develop engaging content.</li> <li>● To coordinate and liaise with PMU of the project for any meetings, seminars and workshops;</li> <li>● To liaise with PMU and donor agencies regarding progress reports, fund release and fund utilization;</li> <li>● To liaise with PMU, MoF and donor agencies for any matter concerning project activities; For domestic and international communication; For media relations and advocacy; For monitoring, evaluation and reporting;</li> <li>● To facilitate conduct of PSC, facilitate mission visits, represent PMU in the meetings where required;</li> </ul>	<p>60 months</p>

	<ul style="list-style-type: none"> <li>● To facilitate youth, gender, nutrition and inclusion mainstreaming priorities;</li> <li>● To provide Monitoring and Evaluation support for the PPD of the Ministry;</li> <li>● To assist PPD in other works of the Ministry beside the project activities;</li> <li>● To keep up-to-date records of project implementation and benefits;</li> <li>● To ensure proper visibility and digital contents of the project implementation;</li> <li>● To coordinate implementation of PPD component of the project;</li> <li>● To assist PMU in any correspondences requiring Ministry's support; and</li> <li>● To assist PPD in data collection, reporting and updating the ministry regarding project.</li> </ul>	
Project Finance Officer (RGoB Financed)	<p>A Project Finance Officer (funded by the RGoB) based in the PMU will be responsible for managing overall project accounts, budget planning, financial disbursements, expenditure reporting and facilitation of auditing. The key responsibilities and duties of the PFO Officer include:</p> <ul style="list-style-type: none"> <li>● Maintain accurate and up-to-date financial records for all project activities.</li> <li>● Prepare periodic financial reports in accordance with GEF requirements and timelines.</li> <li>● Ensure compliance with RGoB, FAO and GEF financial guidelines and policies.</li> <li>● Assist in the preparation of semi-annual and annual financial reports and annual project audits. All project accounts will be subject to statutory audit, the report of which will be submitted to GEF through FAO and GEF, OFP</li> <li>● Assist in the preparation of project budgets and financial forecasts.</li> <li>● Monitor project expenditures against approved budgets and report any variances.</li> <li>● Provide financial analysis and projections to support project planning and decision-making.</li> <li>● Ensure all financial activities comply with relevant regulations and GEF guidelines.</li> <li>● Identify financial risks and implement mitigation strategies.</li> <li>● Support internal and external audits by providing the required documentation and information.</li> <li>● Process payments and manage accounts payable and receivable.</li> <li>● Reconcile project accounts and resolve any discrepancies.</li> <li>● Oversee the management of project bank accounts and financial transactions.</li> <li>● Oversee the procurement process, ensuring compliance with GEF guidelines.</li> <li>● Maintain accurate records of procurement activities and contracts.</li> <li>● Coordinate with suppliers and vendors to ensure timely delivery of goods and services.</li> <li>● Monitor procurement expenditures and ensure they align with project budgets.</li> </ul>	60 months
Administration and Procurement Officer	<p>The Administrative and Procurement Officer will provide comprehensive administrative support to the project team, ensuring smooth and efficient operations. The role involves coordinating office activities, managing schedules, handling correspondence, and maintaining project documentation. The main responsibilities of the Administrative and Procurement Officer will be as follows:</p> <ul style="list-style-type: none"> <li>● Maintain project files and records, ensuring proper documentation</li> <li>● Manage incoming and outgoing communications, letters and phone calls.</li> <li>● Coordinate and maintain schedules for the project team, including arranging meetings and appointments.</li> <li>● Organize and disseminate agendas, minutes, and other relevant documents for project meetings.</li> </ul>	60 months

	<ul style="list-style-type: none"> <li>● Plan and coordinate project meetings, workshops, and events, including logistics.</li> <li>● Oversee procurement of goods and services for the project ensuring adherence to procurement rules and regulations.</li> <li>● Maintain an inventory of project assets and ensure proper utilization.</li> <li>● Perform any other administrative tasks necessary for the smooth functioning of the project.</li> </ul>	
Environment & Social Safeguards Expert	<p>The ESS Expert plays a critical role in safeguarding the project's adherence to FAO and GEF Social and Environmental Standards (SES) policies. This includes:</p> <ul style="list-style-type: none"> <li>● Lead the development and implementation of the project's Social and Environmental Screening Procedure (SESP), Environmental and Social Management Plan (ESMP), and Stakeholder Engagement Plan (SEP).</li> <li>● Ensure these plans integrate seamlessly with project activities and fully comply with FAO and GEF SES policies.</li> <li>● Oversee the implementation of these safeguards throughout the project lifecycle.</li> <li>● Must have expertise and experience on Indigenous Peoples and support the FPIC process within the communities of Merak and Sakteng regarding rangeland management.</li> <li>● Conduct annual reviews of the SESP, ESMP, and SEP, updating risk logs and mitigation plans as needed.</li> <li>● Establish effective and transparent Grievance Redress Mechanisms for all stakeholders. Ensure grievances are managed promptly, fairly, and communicated transparently.</li> <li>● Conduct ESIA for specific project sites or activities, as required.</li> <li>● Establish baseline environmental and social data and identify potential impacts.</li> <li>● Facilitate open communication and sharing information with stakeholders regarding environmental and social safeguards.</li> <li>● Continuously identify, assess, and manage potential environmental and social risks throughout project implementation.</li> <li>● Work with the M&amp;E officer to ensure monitoring and evaluation address safeguard issues effectively.</li> <li>● Develop training materials and guidelines on environmental and social safeguards for project personnel.</li> <li>● Conduct training sessions for project officials on key environmental and social issues related to FAO and GEF principles.</li> <li>● Assist Dzongkhags in preparing quarterly ESS implementation reports.</li> <li>● Prepare semi-annual reports on ESS implementation for the PMU.</li> <li>● Submit annual reports on ESS compliance to the PSC.</li> <li>● Undertake proactive measures to minimize environmental and social risks associated with project activities.</li> </ul>	12 months
Gender Expert	<p>The Gender Expert will ensure the integration of gender perspectives and promote gender equality throughout the project's implementation. This role involves developing gender-responsive strategies, conducting gender analysis, and providing capacity-building support to project staff and stakeholders. The Gender Expert will perform the following duties:</p> <ul style="list-style-type: none"> <li>● Create a comprehensive Gender Action Plan (GAP) that aligns with the project's goals and objectives. Ensure the plan addresses gender disparities and promotes equal opportunities for all genders.</li> <li>● Ensure that gender considerations are integrated into all aspects of project planning, implementation, monitoring, and evaluation.</li> </ul>	9 months

	<ul style="list-style-type: none"> <li>● Perform gender analysis to identify gender-specific needs, challenges, and opportunities within the project context. Use the findings to inform project activities and strategies.</li> <li>● Evaluate the potential gender impacts of project activities and propose measures to mitigate any adverse effects.</li> <li>● Create training materials and tools focused on gender equality and gender mainstreaming for project staff and stakeholders.</li> <li>● Organize and facilitate training sessions and workshops on gender equality, gender-responsive planning, and implementation for project staff, partners, and stakeholders.</li> <li>● Facilitate meaningful participation of women and gender-focused organizations in project activities and decision-making processes.</li> <li>● Promote gender equality and advocate for the inclusion of gender considerations in policy dialogues, project planning, and implementation.</li> <li>● Establish gender-specific indicators to monitor the project's progress in achieving gender equality outcomes.</li> <li>● Regularly assess and report on the project's gender impacts, ensuring that gender-related goals are being met.</li> <li>● Produce periodic reports on gender-related progress, challenges, and achievements. Share these reports with project stakeholders and funding agencies.</li> <li>● Identify and document the best practices and lessons learned in promoting gender equality within the project.</li> <li>● Disseminate knowledge on gender mainstreaming and gender-responsive approaches to project stakeholders and partners.</li> <li>● Identify potential gender-related risks and develop strategies to mitigate these risks throughout the project lifecycle.</li> </ul>	
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## Detailed ToRs

### Terms of Reference (TOR): Project Manager

<b>Job Title**:</b>	<b>Project Manager</b>		
<b>Division/Department:</b>	PMU		
<b>Project Number:</b>	FSP		
<b>Duty Station:</b>	TBC		
<b>Expected Start Date of Assignment:</b>	2025	<b>Duration:</b>	5 Years
<b>Reporting Lines</b>	Project Director		

## Background

Bhutan's agricultural sector is a cornerstone of the economy and way of life, with a significant portion of the population relying on farming for their livelihood. Despite the prevalence of organic practices aligned with Gross National Happiness (GNH), the sector faces challenges due to limited arable land, climate change, inadequate infrastructure, and youth migration to cities. Bhutan's food systems struggle to keep pace with population growth, leading to substantial imports and restricted exports.

Structural issues like small land holdings, high costs, and low mechanization contribute to limited yields. Scarce labour and negative perceptions of farming further hinder productivity. Climate change

vulnerability, post-harvest losses, and weak markets exacerbate these challenges. Addressing these barriers is crucial to unlock the potential benefits of the National Food System Pathways (NFSPs) and foster sustainable progress.

The Royal Government of Bhutan has outlined eight transformative NFSPs to establish a high-performance food system aligned with GNH and the SDGs by 2030. These pathways aim to drive sustainable growth, environmental conservation, cultural preservation, and effective governance, with a focus on empowering women and youth in agriculture and improving value chains.

The RGoB in partnership with FAO Bhutan is implementing a Global Environment Facility project titled “Productive and Sustainable Food Systems in Bhutan for Environmental Benefits and Gross National Happiness.”. The project aims to enhance resilience, achieve environmental benefits, and promote sustainable production by addressing systemic challenges through integrated landscape planning and knowledge exchange. Focused on the eastern landscape, the project targets six *Dzongkhags* spanning 1,134,225,900 hectares, with a population of 173,116 facing economic constraints, demographic shifts, and climate vulnerabilities. The project emphasizes farming systems and value chains for priority commodities like potato, maize, beans and dairy, integrated with other crops, to support initiatives led by women and youth, enhance mechanization, reduce labour, and promote sustainable practices. The primary objective is to ensure the long-term environmental sustainability of food systems and deliver global environmental benefits (GEBs).

The project will engage the private sector across the agricultural value chain, focusing on enhancing aggregation, processing, marketing, and financing. By optimizing sustainable production, preserving ecosystem services, and aligning production with dietary needs, the project aims to introduce knowledge-sharing platforms, agricultural technologies, and value-added processes along the value chain to promote environmental benefits and GNH.

### **Tasks and Responsibilities**

The Project Manager will be responsible for the overall management and coordination of the project, ensuring its successful implementation in accordance with the approved project document, annual work plans, and budgets. The key responsibilities and duties of the Project Manager include:

- Manage and oversee the execution of project activities as per the approved project document, annual work plans, and budgets.
- Review and validate annual work plans and budgets for submission to the PSC for approval.
- Organize PSC meetings, annual project reviews, and planning meetings, including the preparation and circulation of agenda and documents at least two weeks in advance. Act as the Member-Secretary to the PSC meeting.
- Ensure the timely production and circulation of PSC meeting minutes within a week after the meetings.
- Liaise with FAO Bhutan CO (GEF Agency), DMDf, MoF (GEF OFP), and Operational Partners for effective project management.
- Establish and maintain relationships with relevant agencies and projects to facilitate learning, sharing experiences, and developing synergies.
- Facilitate mid-term and terminal evaluations of the project.
- Conduct annual monitoring visits to project sites to assess implementation progress and interact with local stakeholders.
- Manage and monitor project risks, maintain the project risk log, and submit new risks to the PSC for review and decision on possible actions.
- Identify, analyze, and document the best practices and lessons learned from project implementation and share them with stakeholders to enhance the project's effectiveness.
- Identify the capacity needs of PMU staff and accordingly arrange capacitation.
- Provide guidance and support to the project team and stakeholders involved in the project implementation.
- Manage financial resources and accounting to ensure the accuracy and reliability of financial reports.
- Prepare and submit quarterly financial reports to FAO.

- Prepare the Project Progress Report in the FAO template and submit it to the PSC and FAO on a six-monthly basis.
- Prepare the annual Project Implementation Report in the GEF template and submit it to the PSC and FAO.
- Identify value addition opportunities within agricultural value chains, focusing on high-demand niche commodities or processed food products.
- Identify and establish market linkages to connect farmers and producers with buyers, processors, and exporters.
- Conduct market research to identify trends, consumer preferences, and potential markets for new and existing agricultural products.
- Lead the development of new agricultural products, focusing on value addition, improved quality, and market alignment.
- Collaborate with stakeholders on packaging, labeling, and branding strategies to promote Bhutanese agricultural products.
- Establish and implement quality assurance protocols to ensure that products meet both national and international standards.
- Provide training to farmers, agribusinesses, and food processors on product development, quality control, and market requirements.

**CANDIDATES WILL BE ASSESSED AGAINST THE FOLLOWING**

**Minimum Requirements**

- Minimum of bachelor’s degree in a related field (e.g., Business Administration, Project Management, Agriculture, food systems, and related fields). A master’s degree would be an advantage.
- At least 7 years of experience in project management, with a proven track record of excellent delivery.
- Excellent leadership, interpersonal, communication and presentation skills.
- Knowledge of agrifood systems transformation and project management software tools and processes.
- An excellent command of English and Dzongkha (Bhutan’s national Language) is required, as are proven writing and reporting skills, the ability to operate under pressure and good interpersonal skills.

**FAO Core Competencies**

- Results Focus
- Teamwork
- Communication
- Building Effective Relationships
- Knowledge Sharing and Continuous Improvement

**Technical/Functional Skills**

He/she should have competency and demonstrated practical relevant experience in the formulation and implementation of development of programmes and projects related to technical capacity building, policy development, enhancing agri-production, strengthening food systems, promoting agri-value chain development and agri-business entrepreneurship, fostering digital agricultural innovation, improving food & nutrition security, gender equality and women’s empowerment, enhancing resilience to disasters and impacts of climate change.

**Selection Criteria**

- Extent of relevant technical experience in the areas related.
- Ability to manage and work with a multidisciplinary and multicultural team.
- Proven experience in operational and project management in the areas mentioned above.
- Strong work ethic, well-organized, result focused, good team player and dynamic personality.

Previous experience of working with GEF or relevant project is an asset.

**Terms of Reference (TOR): Monitoring and Evaluation Officer**

<b>Job Title**:</b>	<b>Monitoring and Evaluation Officer</b>
<b>Division/Department:</b>	PMU
<b>Project Number:</b>	FSP

<b>Duty Station:</b>	TBC		
<b>Expected Start Date of Assignment:</b>	2025	<b>Duration</b>	5 Years
<b>Reporting Lines</b>	Project Manager & Project Director		

**Background**

Same as project manager above

**Tasks and responsibilities**

The Monitoring and Evaluation (M&E) Officer will be responsible for developing and overseeing the implementation of the project's M&E plan, ensuring alignment with FAO and GEF reporting requirements and standards, as well as the Royal Government of Bhutan's (RGoB) M&E needs. The key responsibilities and duties of the M&E Officer include:

- Develop an annual M&E plan for the project.
- Oversee the implementation of the project's M&E plan, including periodic appraisal of the project's theory of change and results framework based on actual and potential project progress and outcomes.
- Align the project's M&E requirements with those of the RGoB to ensure effective coordination and integration of both RGoB and FAO M&E requirements.
- Monitor project progress in accordance with FAO and GEF reporting requirements and standards.
- Ensure timely submission of progress reports to the Project Manager and other relevant stakeholders.
- Conduct annual monitoring of indicators as outlined in the project results framework and report on the findings.
- Coordinate with consultants and closely observe impact assessment work to ensure the quality of findings.
- Oversee and guide the design of assessments commissioned for monitoring and evaluating the project's results.
- Facilitate mid-term and terminal evaluations of the project.
- Facilitate annual reviews of the project and publish analytical reports.
- Liaise with stakeholders, including Dzongkhag Focal Point, FAO, and responsible parties, for the implementation of project activities related to M&E and knowledge resource management.
- Facilitate knowledge generation by supporting the documentation of emerging best practices and lessons learned.
- Undertake visits to project sites as required to appraise the project's progress and document findings in written progress reports.
- Maintain accurate records and data pertaining to the project, ensuring the integrity and accessibility of the information.
- Oversee the design of assessments for monitoring and evaluating results.
- Document and disseminate lessons learned and findings from technical studies.
- Facilitate evaluations, annual reviews, and small-scale studies to assess progress and improve the project.
- Report to the Global Coordination Project on standardized programme-wide indicators
- Gather and share information on lessons learned in a systematic and consistent manner, among countries and with the GCP.

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**CANDIDATES WILL BE ASSESSED AGAINST THE FOLLOWING**

**Minimum Requirements**

- Minimum of a bachelor's degree in a relevant field, such as Project Management, statistics, social sciences, development studies, or relevant fields. A master's degree would be an advantage.
- A minimum Of five years of experience in supporting the formulation/implementation of development projects in the relevant fields/sectors mentioned above.
- An excellent command of English and Dzongkha (Bhutan's national Language) is required, as are proven writing and reporting skills, the ability to operate under pressure and good interpersonal skills.
- Good computer skills.

**FAO Core Competencies**

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- Results Focus
- Teamwork
- Communication
- Building Effective Relationships
- Knowledge Sharing and Continuous Improvement

**Technical/Functional Skills**

The Specialist shall have competency and demonstrated practical relevant experience in supporting the formulation and implementation of development of programmes and projects related to technical capacity building, policy development, enhancing agri-production, strengthening food systems, promoting agri-value chain development and agri-business entrepreneurship, improving food & nutrition security, gender equality and women’s empowerment, enhancing resilience to disasters and impacts of climate change.

**Selection Criteria**

- Extent of relevant technical experience in the areas related.
- Ability to manage and work with a multidisciplinary and multicultural team.
- Proven experience in operational and project management in the areas mentioned above.
- Strong work ethic, well-organized, result focused, good team player and dynamic personality.

Previous experience of working with GEF or relevant project is an asset.

**Terms of Reference (TOR): Knowledge Management and Communication Officer**

<b>Job Title**:</b>	<b>Knowledge Management and Communication Officer</b>		
<b>Division/Department:</b>	PMU		
<b>Project Number:</b>	FSP		
<b>Duty Station:</b>	TBC		
<b>Expected Start Date of Assignment:</b>	2025	<b>Duration</b>	5 Years
<b>Reporting Lines</b>	Project Manager & Project Director		

**Background**

Same as project manager above.

**Tasks and responsibilities**

The Knowledge Management & Communication Officer (KMCO) will be responsible for developing and implementing the project’s communication strategy, facilitating knowledge generation and documentation, and coordinating public awareness activities. The KMCO will ensure that all communication and knowledge management initiatives align with the project’s objectives and contribute to its overall success. The key responsibilities and duties of the KMCO include:

- Develop a comprehensive communications strategy and plan in consultation with stakeholders.
- Update the plan annually to ensure relevance and effectiveness.
- Support documentation of good/best practices and lessons learned.
- Ensure knowledge is captured, organized, and shared effectively.
- Collaborate with a team to identify and document valuable knowledge assets.
- Oversee implementation of knowledge management activities and outputs in Component 3.
- Coordinate public awareness activities across project components.
- Liaise with the media to disseminate project events and activities of interest.
- Organize and facilitate knowledge-sharing events, workshops, and training.
- Encourage exchange of ideas and best practices among partners and stakeholders.
- Create materials like brochures, press releases, audiovisuals, and leaflets to disseminate project activities and achievements.
- Ensure materials are engaging, informative, and aligned with branding and messaging.
- Create compelling content to showcase project progress, impact, and success stories.
- Collaborate with team and partners to gather information and develop engaging content.

- To coordinate and liaise with PMU of the project for any meetings, seminars and workshops;
- To liaise with PMU and donor agencies regarding progress reports, fund release and fund utilization;
- To liaise with PMU, MoF and donor agencies for any matter concerning project activities; For domestic and international communication; For media relations and advocacy; For monitoring, evaluation and reporting;
- To facilitate conduct of PSC, facilitate mission visits, represent PMU in the meetings where required;
- To facilitate youth, gender, nutrition and inclusion mainstreaming priorities;
- To provide Monitoring and Evaluation support for the PPD of the Ministry;
- To assist PPD in other works of the Ministry beside the project activities;
- To keep up-to-date records of project implementation and benefits;
- To ensure proper visibility and digital contents of the project implementation;
- To coordinate implementation of PPD component of the project;
- To assist PMU in any correspondences requiring Ministry's support; and
- To assist PPD in data collection, reporting and updating the ministry regarding project.

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## **CANDIDATES WILL BE ASSESSED AGAINST THE FOLLOWING**

### **Minimum Requirements**

- Minimum of a bachelor's degree in communications, journalism, public relations, or a related field. A master's degree would be an advantage.
- A minimum of five years of experience in media relations, public relations, social media management, content creation, event planning, or multimedia production fields/sectors mentioned above.
- Strong communication skills in English and Dzongkha (Bhutan's national Language) are required, as are proven writing and reporting skills, the ability to operate under pressure and good interpersonal skills.
- Knowledge of media ethics, principles, media trends, and evaluation metrics would also be beneficial.

### **FAO Core Competencies**

- Results Focus
- Teamwork
- Communication
- Building Effective Relationships
- Knowledge Sharing and Continuous Improvement

### **Technical/Functional Skills**

The Specialist shall have competency and demonstrate practical relevant experience in supporting technical/functional skills including communication strategy development and implementation, social media management, media relations, event planning, multimedia content creation, use of communication tools and software, evaluation and reporting of communication effectiveness, and stakeholder engagement and communication training.

### **Selection Criteria**

- Extent of relevant technical experience in the areas related.
- Ability to manage and work with a multidisciplinary and multicultural team.
- Strong work ethic, well-organized, result focused, good team player and dynamic personality.

Previous experience of working with GEF or relevant project is an asset.

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### **Terms of Reference (TOR): Project Finance Officer**

<b>Job Title**:</b>	<b>Project Finance Officer</b>
<b>Division/Department:</b>	PMU
<b>Project Number:</b>	FSP
<b>Duty Station:</b>	TBC

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<b>Expected Start Date of Assignment:</b>	2025	<b>Duration:</b>	5 Years
<b>Reporting Lines</b>	Project Manager & Project Director		

### Background

Same as project manager above.

### Tasks and responsibilities

A Project Finance Officer will be responsible for managing overall project accounts, budget planning, financial disbursements, expenditure reporting and facilitation of auditing. The key responsibilities and duties of the PFO Officer include:

- Maintain accurate and up-to-date financial records for all project activities.
- Prepare periodic financial reports in accordance with GEF requirements and timelines.
- Ensure compliance with RGOB, FAO and GEF financial guidelines and policies.
- Assist in the preparation of semi-annual and annual financial reports and annual project audits. All project accounts will be subject to statutory audit, the report of which will be submitted to GEF through FAO and GEF, OFP
- Assist in the preparation of project budgets and financial forecasts.
- Monitor project expenditures against approved budgets and report any variances.
- Provide financial analysis and projections to support project planning and decision-making.
- Ensure all financial activities comply with relevant regulations and GEF guidelines.
- Identify financial risks and implement mitigation strategies.
- Support internal and external audits by providing the required documentation and information.
- Process payments and manage accounts payable and receivable.
- Reconcile project accounts and resolve any discrepancies.
- Oversee the management of project bank accounts and financial transactions.
- Oversee the procurement process, ensuring compliance with GEF guidelines.
- Maintain accurate records of procurement activities and contracts.
- Coordinate with suppliers and vendors to ensure timely delivery of goods and services.
- Monitor procurement expenditures and ensure they align with project budgets.

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### CANDIDATES WILL BE ASSESSED AGAINST THE FOLLOWING

#### Minimum Requirements

- Diploma/certificate or bachelor's degree in accounting, commerce or a related field.
- A minimum Of five years of experience in the field of finance, accounting or fields/sectors mentioned above.
- Strong communication skills in English and Dzongkha (Bhutan's national Language) are required, as are proven writing and reporting skills, the ability to operate under pressure and good interpersonal skills.
- Knowledge of financial management.

#### FAO Core Competencies

- Results Focus
- Teamwork
- Communication
- Building Effective Relationships
- Knowledge Sharing and Continuous Improvement

#### Technical/Functional Skills

The Specialist shall have competency and demonstrate practical relevant experience in supporting technical/functional skills including financial management.

#### Selection Criteria

- Extent of relevant technical experience in the areas related.
- Ability to manage and work with a multidisciplinary and multicultural team.

Strong work ethic, well-organized, result focused, good team player and dynamic personality.

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**Terms of Reference (TOR):**

Job Title**:	<b>Administration and Procurement Officer</b>		
Division/Department:	PMU		
Project Number:	FSP		
Duty Station:	TBC		
Expected Start Date of Assignment:	2025	Duration:	5 Years
Reporting Lines	Project Manager & Project Director		

**Background**

Same as project coordinator above

**Tasks and responsibilities**

The Administrative and Procurement Officer will provide comprehensive administrative support to the project team, ensuring smooth and efficient operations. The role involves coordinating office activities, managing schedules, handling correspondence, and maintaining project documentation. The main responsibilities of the Administrative and Procurement Officer will be as follows:

- Maintain project files and records, ensuring proper documentation
- Manage incoming and outgoing communications, letters and phone calls.
- Coordinate and maintain schedules for the project team, including arranging meetings and appointments.
- Organize and disseminate agendas, minutes, and other relevant documents for project meetings.
- Plan and coordinate project meetings, workshops, and events, including logistics.
- Oversee procurement of goods and services for the project ensuring adherence to procurement rules and regulations.
- Maintain an inventory of project assets and ensure proper utilization.
- Perform any other administrative tasks necessary for the smooth functioning of the project.
- Assist Finance Officer in budget planning, financial disbursements, expenditure reporting and facilitation of auditing.

**CANDIDATES WILL BE ASSESSED AGAINST THE FOLLOWING****Minimum Requirements**

- Bachelor's degree in business, management, commerce or a related field.
- A minimum of 3 years' experience in finance, accounting or fields/sectors mentioned above.
- Strong communication skills in English and Dzongkha (Bhutan's national Language) are required, as are proven writing and reporting skills, the ability to operate under pressure and good interpersonal skills.
- Knowledge of financial management

**FAO Core Competencies**

- Results Focus
- Teamwork
- Communication
- Building Effective Relationships
- Knowledge Sharing and Continuous Improvement

**Technical/Functional Skills**

The Specialist shall have competency and demonstrate practical relevant experience in supporting technical/functional skills including financial management.

**Selection Criteria**

- Extent of relevant experience in the related areas.
  - Ability to manage and work with a multidisciplinary and multicultural team.
  - Strong work ethic, well-organized, focused, good team player and dynamic personality.
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## **ANNEX M: MONITORING AND EVALUATION, FINANCIAL MANAGEMENT AND FAO OVERSIGHT**

### **M.1 PROVISIONS FOR MONITORING AND EVALUATION**

The project will develop and implement an M&E strategy that supports learning and adaptive management. This will include a comprehensive monitoring, evaluation, and learning (MEL) system that is consistent with the FSIP-GCP monitoring and evaluation system. Key activities to deliver M&E include:

- Convene a project inception workshop within the first three months of the Project start to review, update and elaborate the project results framework, project activity plans, ESMP and management arrangements.
- Assess the strengths and weaknesses of existing baseline information and monitoring methodologies and develop a comprehensive monitoring, evaluation, and learning (MEL) system that is also consistent with the FSIP-GCP monitoring and evaluation systems. Note that a baseline has been prepared as part of the project design. Data is held by the FAO Country office in Bhutan. There are also details within the ESMP.
- As necessary, complete the baseline spatial, socio-economic, and environmental analyses of the project area.
- Validate the results framework indicators and track progress towards targets.
- Conduct training and technical support in MEL including the need for gender disaggregated data.
- Support the continuous management and operation of the MEL system for the duration of the project and establish mechanisms to enable the sustainable operation of the system.
- Hold Project Steering Committee (PSC) and Technical Advisory Committee (TAC) meetings.
- Prepare periodic mandatory project reports. These include Bi-Annual Progress Reports, Quarterly Financial Reports, Annual material purchase reports, annual Project Implementation Reviews, and a project final report as per standard FAO and GEF formats.
- Prepare annual co-financing reports.
- Conduct annual financial audit of expenditures of GEF funds through internationally recognized independent third-party audit firms.
- Conduct an annual implementation review of the Gender Action Plan, Stakeholder Engagement Plan, Project Knowledge Management and Communication Strategy, project risks, social and environmental safeguards, climate change risks and mitigation measures, and assumptions underlying the Project's Theory of Change.
- Support the mid-term and final evaluations and other audits of the project and the preparation of a final project report. Incorporate recommendations of MTR into revised project plans following PSC approval.

The project results, corresponding indicators and mid-term and end-of-project targets in the Project Results Framework (Annex C) will be monitored regularly, reported annually and assessed during project implementation to ensure the project effectively achieves these results. Project Monitoring and Evaluation (M&E) activities are budgeted at USD 279,200. M&E activities will follow FAO and GEF's policies and guidelines for monitoring and evaluation. The M&E system will facilitate learning, replication of the project's results and lessons which will feed the project's knowledge management strategy.

#### **Monitoring Arrangements**

Project oversight and supervision will be carried out by the PSC and the Budget Holder with the support of the PTF members (LTO and FLO, GTO and relevant technical units in FAO headquarters). Oversight will ensure that: (i) project outputs are produced in accordance with the project results framework and leading to the achievement of project outcomes; (ii) project outcomes are leading to the achievement of the project objective; (iii) identified, as well as unidentified, risks are continuously monitored and appropriate mitigation strategies are applied; and (iv) agreed project global environmental benefits / adaptation benefits are being delivered.

The FAO-GEF Coordination Unit and HQ Technical units will provide oversight of GEF financed activities, outputs and outcomes largely through the annual Project Implementation Reports (PIRs), periodic backstopping and supervision missions.

Day-to-day project monitoring will be carried out by the PMU. Project performance will be monitored using the project results matrix, including indicators (baseline and targets) and annual work plans and budgets. At inception phase, the results matrix will be reviewed to finalize the identification of i) outputs ii) indicators iii) targets and iv) any missing baseline information

A detailed M&E plan, which builds on the results matrix and defines specific requirements for each indicator (data collection methods, frequency, responsibilities for data collection and analysis) will be developed during project inception by the M&E Officer. The M&E budget is presented in Table 8.

## **Monitoring and Reporting**

In compliance with FAO and GEF M&E policies and requirements and in consultation with the PSC and PTF, the PMU will prepare the following i) Project inception report; (ii) Annual Work Plan and Budget (AWP/B); (iii) Project Progress Reports (PPRs); (iv) annual Project Implementation Review (PIR); (v) Technical Reports; (vi) co-financing reports; and (vii) Terminal Report. In addition, the Core Indicators will be used to monitor Global Environmental benefits / adaptation benefits and updated regularly by the PMU.

**Project Inception Report.** A project inception workshop will be held within two months of the project start date and signature of relevant agreements with partners. During this workshop the following will be reviewed and agreed:

- The proposed implementation arrangement, the roles and responsibilities of each stakeholder group and project partners.
- An update of any changed external conditions that may affect project implementation.
- The results framework, the SMART indicators and targets, the means of verification, and monitoring plan.
- The responsibilities for monitoring the various project plans and strategies, including the risk matrix, the Environmental and Social safeguards and the Environmental and Social Management Framework/Plans, the gender action plan, the stakeholder engagement plan, the knowledge management strategy, and other relevant strategies.
- Finalize the preparation of the first year AWP/B, the financial reporting and audit procedures.
- Schedule the PSC meetings.

The PMU will draft an inception report based on the agreement reached during the workshop and circulate among PSC members, BH, LTO and FLO for review within one month. The final report will be cleared by the FAO BH, LTO and the FAO GEF Coordination Unit and uploaded in FAO's Field Program Management Information System (FPMIS) by the BH.

**TABLE 8 PROJECT MONITORING AND EVALUATION BUDGET AND TIMEFRAME**

<b>Task</b>	<b>Indicative (US\$)</b>	<b>Time frame</b>
Inception Workshop and Report	5,700	Within 60 days of CEO endorsement
Monitoring and Evaluation Officer	72,000	60 months
PSC Meetings	33,000	Twice in a year
M&E required to report on progress made in reaching GEF core indicators and project results included in the project results framework	45,000	Annually and at mid-point and closure.
Annual Planning & Review workshops		Annually typically between June- August
Annual implementation review of Social and Environmental Safeguards	12,500	On-going
Annual implementation review of Gender Action Plan	12,500	On-going
Supervision missions	NA	Annually
Mid-term Review (MTR)	39,000	Dec-27
Terminal Evaluation (TE)	52,500	Dec-29
Terminal report	7,000	Mar-30
<b>Total</b>	<b>279,200</b>	

### **Results-based Annual Work Plan and Budget (AWP/B)**

The PMU will submit to the BH AWP/Bs that are divided into monthly timeframes detailing the activities and progress indicators that would guide implementation during the year of the project. Each AWP/B will be drafted by the Project Coordinator (PC) and submitted for PTF review and approval by the PSC. Necessary changes to the AWP/B - as recommended by the PSC - will be made by the PMU prior to implementation of the AWP/B. The first AWP/B will be drafted during the project's Inception Phase and presented at the project Inception Workshop. As part of the AWP/B, a detailed project budget for the activities to be implemented during the year should be included together with all monitoring and supervision activities required during the year. The inputs of the Inception Workshop will be incorporated, and the PMU will submit a final draft AWP/B within two weeks of the workshop to the BH. For subsequent AWP/B, the PMU will organize PSC meetings for its approval. Once comments have been incorporated, the BH will circulate the AWP/B to the LTO, FLO and the FAO-GEF Coordination Unit for comments/clearance prior to uploading in FPMIS by the BH. The AWP/B must be linked to the Project's Results Framework indicators so that the Project's work is contributing to the achievement of the indicators.

### **Project Progress Reports (PPR):**

After FAO approval of the project and signature of the execution agreement, PPRs will be prepared based on the systematic monitoring of output and outcome indicators identified in the Project Results Framework (Annex C), AWP/B, M&E Plan and safeguards. Each semester the PC will prepare a draft PPR on a six-month semester basis and will collect and consolidate any comments from the FAO PTF. The PMU will submit the final PPRs to the FAO Representation in Bhutan every six months, prior to 31 July (for January and June semester) and before 31 January (for July and December semester). The July-December semester report should be accompanied by the updated AWP/B for the following Project Year (PY) for review and no-objection by the FAO PTF. The Budget Holder has the responsibility to coordinate the preparation and finalization of the PPR, in consultation with the PMU, LTO and the FLO. After LTO, BH and FLO clearance, the FLO will ensure that project progress reports are uploaded in FPMIS in a timely manner.

### **Project Implementation Report (PIR):**

The annual PIR, required by the GEF, will be used to assess progress towards achieving the project objectives and implementation progress and challenges, risks and mitigation measures. The PMU will prepare a consolidated annual PIR report covering the period July (the previous year) through June (current year) for each year of implementation, in collaboration with national project partners (including the GEF OFP), the Lead Technical Officer, and the GTO/FLO. The Budget Holder will ensure that the PMU will monitor and report on the progress of the project results framework, the status of the implementation of safeguards. The FAO-GEF Coordination unit will submit the final and cleared version of the report to the GEF Secretariat and upload it under the relevant section in FPMIS.

The PIRs will include analysis and review of the GAP and relevant gender dimensions of the project.

### **Technical Reports:**

Technical reports will be prepared as part of project outputs, including safeguards, and to document and share project outcomes and lessons learned. The LTO will be responsible for ensuring appropriate technical review and clearance of technical reports. Copies of the technical reports will be distributed to project partners and the PSC as appropriate.

### **Co-financing Reports:**

The PMU will be responsible for tracking co-financing materialized against the confirmed amounts at project approval and reporting. The co-financing report, which covers the GEF fiscal year (1 July through 30 June), is to be submitted on or before 31 July and will be incorporated into the annual PIR. The co-financing report needs to include the activities that were financed by the contribution of the partners.

### **Tracking and reporting on results across the GEF 8 core indicators and sub-indicators:**

The GEF Core Indicators provided under Section B.2 of this project document will be used to monitor global environmental benefits. Throughout the implementation period of the project, the PMU is required to track the project's progress in achieving these results across applicable core indicators and sub-indicators. Before the project mid-term and project completion stage, the PMU in consultation with the PTF and the FAO-GEF CU are required to report achieved results against the core indicators and sub-indicators used at CEO Endorsement/ Approval.

### **Terminal Report**

The PMU will prepare the Terminal Report three months before the actual end date of the project (NTE) – and prior to the completion of the Final Evaluation exercise – the PMU will submit to the BH and LTO a draft Terminal Report. The main purpose of the Terminal Report is to give guidance at ministerial or senior government level on the policy decisions required for the follow-up of the project, and to provide the donor with information on how the funds were utilized. The Terminal Report is a concise account of the main products, results, conclusions and recommendations of the project. The target readership consists of persons who are not necessarily technical specialists but who need to understand the policy implications of technical findings and needs for ensuring sustainability of project results.

### **Evaluations**

#### **Mid-Term Review**

The Budget Holder is responsible for the conduct of the Mid-Term Review (MTR) of the project in consultation with the FAO-GEF Coordination Unit halfway through implementation. He/she will contact the FAO-GEF Coordination Unit about 3 months before the project half-point (within 3 years of project CEO Endorsement) to initiate the MTR exercise.

The MTR will (i) assess the progress made towards achievement of planned results, including implementation of safeguards; (ii) identify problems and make recommendations to redress the project; and (iii) highlight good practices, lessons learned and areas with the potential for upscaling.

To support the planning and conduct of the MTR, the FAO GEF CU has developed a guidance document “The Guide for planning and conducting Mid-Term Reviews of FAO-GEF projects and programmes”. The FAO-GEF CU will appoint an MTR focal point who will provide guidance on GEF specific requirements, quality assurance on the review process and overall backstopping support for the effective management of the exercise and for timely submission of the MTR report to the GEF Secretariat.

After the completion of the MTR, the BH will be responsible for the distribution of the MTR report at country level (including to the GEF OFP) and for the preparation of the Management Response within 4 weeks and share it with national partners, GEF OFP and the FAO-GEF CU. The BH will also send the updated core indicators used during the MTR to the FAO-GEF CU for their submission to the GEF Secretariat. The MTR report will be uploaded under the relevant section in FPMIS documents.

### **Terminal Evaluation**

The GEF evaluation policy foresees that all Medium and Full-sized projects require a separate terminal evaluation. Such evaluation provides: i) accountability on results, processes, and performance; ii) recommendations to improve the sustainability of the results achieved; and iii) lessons learned as an evidence-base for decision-making to be shared with all stakeholders (government, execution agency, other national partners, the GEF and FAO) to improve the performance of future projects.

The Budget Holder will be responsible for contacting the OED within six months prior to the actual completion date (NTE date). OED will manage the decentralized independent terminal evaluation of this project and will be responsible for quality assurance. Independent external evaluators will conduct the terminal evaluation of the project considering the “GEF Guidelines for GEF Agencies in Conducting Terminal Evaluation for Full-sized Projects”. The FAO Office of Evaluation (OED) will be responsible for the quality assessment of the terminal evaluation report, including the GEF ratings.

The Terminal Evaluation will provide: i) accountability on results, processes, and performance; ii) recommendations to improve the sustainability of the results achieved; and iii) lessons learned as an evidence-base for decision-making to be shared with all stakeholders (government, execution agency, other national partners, the GEF and FAO) to improve the performance of future projects.

After the completion of the terminal evaluation, the BH will be responsible to prepare the management response to the evaluation within 4 weeks and share it with national partners, GEF OFP, OED and the FAO-GEF CU. The BH will also send the updated core indicators used during the TE to the FAO-GEF CU for their submission to the GEF Secretariat.

The Terminal Evaluation report shall be discussed with the PSC during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up.

**Monitoring Plan:** The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored by the PMU annually, and will be reported in the GEF PIR every year, and will be evaluated periodically during project implementation. If baseline data for some of the results indicators is not yet available, it will be collected during the first year of project implementation. Project risks, as outlined in the risk register, will be monitored quarterly.

## **M.2 FINANCIAL MANAGEMENT**

Financial management, in relation to the GEF resources directly managed by FAO, will be carried out in accordance with FAO’s rules and procedures as outlined below. The OP is accountable to FAO for achieving the agreed project results and for the effective use of resources made available by FAO. Financial management and reporting for the funds transferred to the OP will be done by the OP in accordance with

terms, conditions, formats and requirements of FAO and the provisions of the signed Operational Partners Agreement (OPA). The administration by the OP of the funds received from FAO shall be carried out under its own financial regulations, rules and procedures, which shall provide adequate controls to ensure that the funds received are properly administered and expended. The Operational Partner shall maintain the account in accordance with generally accepted accounting standards.

**Financial Records.** FAO shall maintain a separate account in United States dollars for the project's GEF resources showing all income and expenditures. FAO shall administer the project in accordance with its regulations, rules and directives. The OP shall maintain books and records that are accurate, complete and up-to-date. The OP's books and records will clearly identify all Fund Transfers received by the OP as well as disbursements made by the OP under the OPA, including the amount of any unspent funds and interest accrued.

**Financial Reports.** The BH shall prepare quarterly (or at least six-months) project expenditure accounts and final accounts for the project, showing amount budgeted for the year, amount expended since the beginning of the year, and separately, the un-liquidated obligations as follows: i) Details of project expenditures on outcome-by-outcome basis, reported in line with Project Budget as at 30 June and 31 December each year; ii) Final accounts on completion of the Project on a component-by-component and outcome-by-outcome basis, reported in line with the Project Budget; iii) A final statement of account reflecting actual final expenditures under the Project, when all obligations have been liquidated.

The OP will prepare the financial reports in accordance with terms, conditions, formats and requirements of FAO and the provisions of the signed OPA. The BH will review and approve requests for funds and financial reports of the OP. The subsequent installments can be released only based on the BH confirmation that all expenditures are eligible and all OPA requirements are fulfilled to the satisfaction of FAO. The BH will withhold any payment due to the OP in case of non-compliance with the reporting obligations detailed in the OPA.

Financial reports for submission to the donor (GEF) will include both FAO- and OP-managed resources, will be prepared in accordance with the provisions in the GEF Financial Procedures Agreement and submitted by the FAO Finance Division.

**Responsibility for Cost Overruns.** As regards resources directly managed by FAO, the BH shall utilize the GEF project funds in strict compliance with the Project Budget (Appendix A2) and the approved AWP/Bs. The BH can make variations provided that the total allocated for each budgeted project component is not exceeded and the reallocation of funds does not impact the achievement of any project output as per the project Results Framework (Appendix A1). At least once a year, the BH will submit a budget revision for approval of the LTO and the FAO/GEF Coordination Unit. Overruns on cost shall be the sole responsibility of the BH.

As regards resources managed by the OP, the OP shall utilize the funds received from FAO in strict compliance with the provisions of the signed OPA and its Annexes, including approved work plan and budget. The OP can make variations not exceeding 10 percent on any budget heading. Any variations above 10 percent on any budget heading that may be necessary will be subject to prior consultations with and approval by FAO.

Under no circumstances can expenditures exceed the approved total project budget or be approved beyond the NTE date of the OPA and/or the project. Any over-expenditure is the responsibility of the BH.

**Audit.** The project shall be subject to the internal and external auditing procedures provided for in FAO financial regulations, rules and directives and in keeping with the Financial Procedures Agreement between the GEF Trustee and FAO.

**The audit regime at FAO** consists of an external audit provided by the Auditor-General (or persons exercising an equivalent function) of a member nation appointed by the Governing Bodies of the

Organization and reporting directly to them, and an internal audit function headed by the FAO Inspector-General who reports directly to the Director-General. This function operates as an integral part of the Organization under policies established by senior management, and furthermore has a reporting line to the governing bodies. Both functions are required under the Basic Texts of FAO which establish a framework for the terms of reference of each. Internal audits of accounts, records, bank reconciliation and asset verification take place at FAO field and liaison offices on a cyclical basis.

Specific provisions for auditing the OP managed funds are included in the signed OPA. During implementation, assurance activities are organized by FAO to determine whether the progress has been made and whether funds transferred to OP were used for their intended purpose, in accordance with the work plan and relevant rules and regulations. This may include, but is not limited to, monitoring missions, spot checks, quarterly progress and annual implementation reviews, and audits on the resources received from FAO.

**Procurement.** Careful procurement planning is necessary for securing goods, services and works in a timely manner, on a “Best Value for Money” basis. It requires analysis of needs and constraints, including forecasts of the reasonable timeframe required to execute the procurement process.

Procurement will follow OP rules and regulations for the procurement of supplies, equipment and services. The OP will draw up a procurement plan as part of the supporting documentation to each request for funds submitted to FAO. The plan will include a description of the goods, works, or services to be procured, estimated budget and source of funding, schedule of procurement activities and proposed method of procurement. In situations where exact information is not yet available, the procurement plan should at least contain reasonable projections that will be corrected as information becomes available.

The procurement plan shall be updated at least twice per year and submitted to FAO BH and LTO for clearance.

### **M3. FAO’s OVERSIGHT**

FAO will be the GEF Implementing Agency of the project. As such, FAO has the project assurance role and will supervise and provide technical guidance for the overall implementation of the project, including:

- a) Assessing Operational Partner’s technical support needs and fiduciary standards.
- b) Monitoring and overseeing the OP’s compliance with the OPA and project implementation in accordance with the project document, work plans, budgets, agreements with co-financiers and the rules and procedures of FAO and GEF.
- c) Commence and complete the responsibilities allocated to it in the Project Document in a timely manner, provided that all necessary reports and other documents are available.
- d) Making transfers of funds, as applicable, in accordance with the provisions of the OPA.
- e) Administering the portion of project GEF funds that has been agreed with the OP to remain for FAO direct administration. These funds will be managed in accordance with the rules and procedures of FAO.
- f) Organizing and completing monitoring, assessment, assurance activities and evaluation of the Project.
- g) Reviewing and discussing the OP, and then approving the project progress and financial reports, as detailed in the OPA and its annexes, undertaking and completing monitoring, assessment, assurance activities, evaluation and oversight of the project.
- h) Liaising on an ongoing basis, as needed, with the Government (as applicable), other members of the United Nations Country Team, Resource Partner, and other stakeholders.

- i) Providing overall guidance, oversight, technical assistance and leadership, as appropriate, for the Project.
- j) Providing financial and audit services to the project including budget release, budget revisions and administration of funds from GEF in accordance with rules and procedures of FAO.
- k) Overseeing financial expenditures against project budgets.
- l) Ensuring that all activities, including procurement and financial services are carried out in strict compliance with FAO and GEF relevant procedures and agreements.
- m) Initiating joint review meetings with the OP to agree on the resolution of findings and to document the lessons learned.
- n) Reporting to the GEF Secretariat and Evaluation Office, through the annual Project Implementation Review, on project progress and providing consolidated financial reports to the GEF Trustee.
- o) Conducting at least one supervision mission per year.
- p) Leading the Mid-Term Review and Terminal Evaluation.
- q) Monitoring implementation of the plan for social and environmental safeguards, in accordance with the FAO Environmental and Social Safeguards, and
- r) Triggering additional reviews, audits and/or evaluations, as necessary.

In collaboration with the PMU and under the overall guidance of the PSC, FAO will participate in the planning of contracting and technical selection processes. FAO will process fund transfers to the OP as per provisions, terms and conditions of the signed OPA.

The FAO Representative in Bhutan will be the Budget Holder (BH) and will be responsible for timely operational, and financial management of GEF resources implemented -. The budget holder will be also responsible for i) managing OPIM for results, including monitoring of risks and overall compliance with the OPA provisions; ii) review and clear financial and progress reports received from the OP and certify request for funds iii) review and clear budget revisions and annual work plan and budgets; iv) ensure implementation of the Risk Mitigation and Assurance Plan v) follow up and ensure that the OP implements all actions and recommendations agreed upon during Assurance Activities.

As a first step in the implementation of the project, the FAO Representation will establish an interdisciplinary Project Task Force (PTF) within FAO, to guide the implementation of the project. The PTF is a management and consultative body that integrates the necessary technical qualifications from the FAO relevant units to support the project. The PTF is composed of a Budget Holder, a Lead Technical Officer (LTO), the Funding Liaison Officer (FLO) and one or more technical officers based in FAO Headquarters (HQ Technical Officer).

The FAO Representative, in accordance with the PTF, will give its non-objection to the AWP/Bs submitted by the PMU as well as the Project Progress Reports (PPRs). PPRs may be commented on by the PTF and should be approved by the LTO before being uploaded by the BH in FPMIS.

**The Lead Technical Officer (LTO)** for the project will be in the FAO Regional Office for Asia and the Pacific (RAP). The role of the LTO is central to FAO's comparative advantage for projects. The LTO will oversee and carry out technical backstopping to the project implementation. The LTO will support the BH in the implementation and monitoring of the AWP/Bs, including work plan and budget revisions. The LTO is responsible and accountable for providing or obtaining technical clearance of technical inputs and services procured by the Organization.

In addition, the LTO will provide technical backstopping to the PMU to ensure the delivery of quality technical outputs. The LTO will coordinate the provision of appropriate technical support from PTF to respond to requests from the PSC. The LTO will be responsible for the following:

- a) Assess the technical expertise required for project implementation and identify the need for technical support and capacity development of the OP.
- b) Provide technical guidance to the OP on technical aspects and implementation.
- c) Review and give no-objection to TORs for consultancies and contracts to be performed under the project, and to CVs and technical proposals short-listed by the PMU for key project positions and services to be financed by GEF resources.
- d) Review and give clearance for the OP's procurement plans.
- e) Supported by the FAO Representation, review and clear final technical products delivered by consultants and contract holders financed by GEF resources.
- f) Assist with review and provision of technical comments to draft technical products/reports during project implementation.
- g) Review and approve project progress reports submitted by the National Program Director (NPD), in cooperation with the BH.
- h) Support the FAO Representative in examining, reviewing and giving no-objection to AWP/B submitted by the NPD, for their approval by the Project Steering Committee.
- i) Ensure the technical quality of the six-monthly Project Progress Reports (PPRs). The PPRs will be prepared by the NPD, with inputs from the PMU. The BH will submit the PPR to the FAO/GEF Coordination Unit for comments, and the LTO for technical clearance. The PPRs will be submitted to the PSC for approval twice a year. The FLO will upload the approved PPR to FPMIS.
- j) Supervise the preparation and ensure the technical quality of the annual PIR. The PIR will be drafted by the NPD, with inputs from the PT. The PIR will be submitted to the BH and the FAO-GEF Coordination Unit for approval and finalization. The FAO/GEF Coordination Unit will submit the PIRs to the GEF Secretariat and the GEF Evaluation Office, as part of the Annual Monitoring Review report of the FAO-GEF portfolio. The LTO must ensure that the NPD and the PMU have provided information on the co-financing provided during the year for inclusion in the PIR.
- k) Conduct annual supervision missions.
- l) Provide comments to the TORs for the mid-term and final evaluation; provide information and share all relevant background documentation with the evaluation team; participate in the mid-term workshop with all key project stakeholders, development of an eventual agreed adjustment plan in project execution approach and supervise its implementation; participate in the final workshop with all key project stakeholders, as relevant. Contribute to the follow-up to recommendations on how to ensure sustainability of project outputs and results after the end of the project.
- m) Monitor implementation of the Risk Mitigation Plan, in accordance with the FAO Environmental and Social Safeguards.

The **HQ Technical Officer** is a member of the PTF, as a mandatory requirement of the FAO Guide to the Project Cycle. The HQ Technical Officer has the most relevant technical expertise - within FAO technical departments - related to the theme of the project. The HQ Technical Officer will provide effective functional advice to the LTO to ensure adherence to FAO's corporate technical standards during project implementation, in particular:

- a) Supports the LTO in monitoring and reporting on implementation of environmental and social commitment plans for moderate risk projects. In this project, the HQ officer will support the LTO in monitoring and reporting the identified risks and mitigation measures (Appendix H2) in close coordination with the OP.
- b) Provides technical backstopping for the project work plan.

- c) Clears technical reports, contributes to and oversees the quality of Project Progress Report(s).
- d) Supports the LTO and PTF for implementation and monitoring.
- e) Contributes to the overall ToR of the Mid-term and Terminal Evaluation, reviews the composition of the evaluation team and supports the evaluation function.

The FAO-GEF Coordination Unit will provide Funding Liaison (FLO) functions and GEF-specific technical advisory services by GEF Technical Officer across the entire project cycle from A to Z. The FAO-GEF Coordination Unit will review and provide a rating in the annual PIR(s) and will undertake supervision missions as necessary in coordination with the rest of the Project Task Force. The PIRs will be included in the FAO-GEF Annual Monitoring Review submitted to GEF by the FAO-GEF Coordination Unit. The FAO-GEF Coordination Unit may also participate or lead the mid-term evaluation, and in the development of corrective actions in the project implementation strategy if needed to mitigate eventual risks affecting the timely and effective implementation of the project. The FAO-GEF Coordination Unit will, in collaboration with the FAO Finance Division, request transfer of project funds from the GEF Trustee based on six-monthly projections of funds needed.

**The FAO Financial Division** will provide annual Financial Reports to the GEF Trustee and, in collaboration with the FAO-GEF Coordination Unit, request project funds on a six-monthly basis to the GEF Trustee.

## ANNEX N: FAO AND GOVERNMENT OBLIGATIONS

This Annex sets out the basic conditions under which FAO will assist the Government in the implementation of the Project described in the attached Project Document.

The achievement of the objectives set by the Project shall be the joint responsibility of the Government and FAO.

### FAO OBLIGATIONS

1. FAO will be responsible for the provision, with due diligence and efficiency, of assistance as provided in the Project Document. FAO and the Government will consult closely with respect to all aspects of the Project.
2. Assistance under the Project will be made available to the Government, or to such entity as provided in the Project, and will be furnished and received (i) in accordance with relevant decisions of the Governing Bodies of FAO, and with its constitutional and budgetary provisions, and (ii) subject to the receipt by FAO of the necessary contribution from the Resource Partner. FAO will disburse the funds received from the Resource Partner in accordance with its regulations, rules and policies. All financial accounts and statements will be expressed in United States Dollars and will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and directives of FAO.
3. FAO's responsibilities regarding financial management and execution of the Project will be as stipulated in the Project Document. FAO may, in consultation with the Government, implement Project components through partners identified in accordance with FAO procedures. Such partners will have primary responsibility for delivering specific project outputs and activities to the Project in accordance with the partner's rules and regulations, and subject to monitoring and oversight, including audit, by FAO.
4. Assistance under the Project provided directly by FAO, including technical assistance services and/or oversight and monitoring services, will be carried out in accordance with FAO regulations, rules and policies, including on recruitment, travel, salaries, and emoluments of national and international personnel recruited by FAO, procurement of services, supplies and equipment, and subcontracting. The candidacies of senior international technical staff for recruitment by FAO will be submitted to the Government for clearance following FAO procedures.
5. Equipment procured by FAO will remain the property of FAO for the duration of the Project. The Government will provide safe custody of such equipment, which is entrusted to it prior to the end of the Project. The ultimate destination of equipment procured under this Project will be decided by FAO in consultation with the Government and the Resource Partner.

### GOVERNMENT OBLIGATIONS

6. With a view to the rapid and efficient execution of the Project, the Government shall grant to FAO, its staff, and all other persons performing services on behalf of FAO, the necessary facilities including:
  - i) the prompt issuance, free of charge, of any visas or permits required;
  - ii) any permits necessary for the importation and, where appropriate, the subsequent exportation, of equipment, materials and supplies required for use in connection with the Project and exemption from the payment of all customs duties or other levies or charges relating to such importation or exportation;
  - iii) exemption from the payment of any sales or other tax on local purchases of equipment, materials and supplies for use in connection with the project;
  - iv) any permits necessary for the importation of property belonging to and intended for the personal use of FAO staff or of other persons performing services on behalf of FAO, and for the subsequent exportation of such property;
  - v) prompt customs clearance of the equipment, materials, supplies and property referred to in subparagraphs (ii) and (iv) above.
7. The Government will apply to FAO, its property, funds and assets, its officials and all the persons performing services on its behalf in connection with the Project: (i) the provisions of the Convention on Privileges and Immunities of the Specialized Agencies; and (ii) the United Nations currency exchange rate.

The persons performing services on behalf of FAO will include any organization, firm or other entity, which FAO may designate to take part in the execution of the Project.

8. The Government will be responsible for dealing with any claims which may be brought by third parties against FAO, its personnel or other persons performing services on its behalf, in connection with the Project, and will hold them harmless in respect to any claim or liability arising in connection with the Project, except when it is agreed by FAO and the Government that such claims arise from gross negligence or willful misconduct of such persons.
9. The Government will be responsible for the recruitment, salaries, emoluments and social security measures of its own national staff assigned to the project. The Government will also provide, as and when required for the Project, the facilities and supplies indicated in the Project Document. The Government will grant FAO staff, the Resource Partner and persons acting on their behalf, access to the Project offices and sites and to any material or documentation relating to the Project, and will provide any relevant information to such staff or persons.

#### REPORTING AND EVALUATION

10. FAO will report to the Government (and to the Resource Partner) as scheduled in the Project Document.
11. The Government will agree to the dissemination by FAO of information such as Project descriptions and objectives and results, for the purpose of informing or educating the public. Patent rights, copyright, and any other intellectual property rights over any material or discoveries resulting from FAO assistance under this Project will belong to FAO. FAO hereby grants to the Government a non-exclusive royalty-free license to use, publish, translate and distribute, privately or publicly, any such material or discoveries within the country for non-commercial purposes. In accordance with the requirements of some Resource Partners, FAO reserves the right to place information and reports in the public domain.
12. The Project will be subject to independent evaluation according to the arrangements agreed between the Government, the Resource Partner and FAO. The evaluation report will be publicly accessible, in accordance with the applicable policies, along with the Management Response. FAO is authorized to prepare a summary of the report for the purpose of broad dissemination of its main findings, issues, lessons and recommendations as well as to make judicious use of the report as an input to evaluation synthesis studies.

#### FINAL PROVISIONS

13. Any dispute or controversy arising out of or in connection with the Project or this Agreement will be amicably settled through consultations, or through such other means as agreed between the Government and FAO.
14. Nothing in or related to any provision in this Agreement or document or activity of the Project shall be deemed (i) a waiver of the privileges and immunities of FAO; (ii) the acceptance by FAO of the applicability of the laws of any country to FAO, and: (iii) the acceptance by FAO of the jurisdiction of the courts of any country over disputes arising from assistance activities under the Project.
15. This Agreement may be amended or terminated by mutual written consent. Termination will take effect sixty days after receipt by either party of written notice from the other party. In the event of termination, the obligations assumed by the parties under this Agreement will survive its termination to the extent necessary to permit the orderly conclusion of activities, and the withdrawal of personnel, funds and property of FAO.
16. This Agreement will enter into force upon signature by the duly authorized representatives of both parties.