



Bhutan: Enhancing Competitiveness of High-Value Agriculture and Artisan Products Value Chains

Project Name	Enhancing Competitiveness of High-Value Agriculture and Artisan Products Value Chains		
Project Number	50069-001		
Country / Economy	Bhutan		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 9270-BHU: Enhancing Competitiveness of High-Value Agriculture and Artisan Products Value Chains		
	Technical Assistance Special Fund		US\$ 500,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships Private sector development		
Sector / Subsector	Agriculture, natural resources and rural development / Agro-industry, marketing, and trade		
Gender	Effective gender mainstreaming		
Description	The Government of Bhutan has requested the Asian Development Bank (ADB) for technical assistance (TA) to improve the competitiveness of the high-value agriculture and artisan products business subsector and its support services to achieve a higher level of competitiveness in domestic and export markets. ADB fielded consultation missions with the government and private sector and agreed with the government on the design and implementation arrangements.		
Project Rationale and Linkage to Country/Regional Strategy	Given the vulnerabilities that arise from a narrow export base and market, a major challenge for Bhutan is to diversify its export markets. The Government of Bhutan's 11th Five Year Plan aims to expand into new markets, achieve inclusive social development, and accelerate green economic development through the Rural Economy Advancement Program and the Rapid Investment in Selected Enterprises Program. These two programs form the cornerstone of the government's diversification strategy, which aims to develop agro-processing and other subsectors, small and cottage industries, and tourism links. Bhutan's trade strategy highlights high-value niche exports that promote Brand Bhutan and indicate the product's geographic origin. Bhutan's forestry policy also highlights comparative advantages in nutraceuticals, medicinal herbs, and natural dyes, which complement artisan and high-value agricultural products. The One Village One Product (OVOP) initiative supported by the Queen's Project Office (QPO) has prioritized a number of Bhutanese agro-products based on market potential, grassroots community production, and potential for development and scaling up.		
Impact	Economic and export base broadened and diversified		
Project Outcome			
Description of Outcome	Competitiveness of prioritized HVA and artisan MSME clusters in domestic and export markets enhanced		
Progress Toward Outcome	Score mapping, product prioritization, and cluster prioritization exercise has been completed, and seven geographical clusters for 10 prioritized products have been identified.		
Implementation Progress			
Description of Project Outputs	Business skills capacity of selected HVA and artisan MSME clusters improved Production, value- adding, and marketing capacity of selected MSME clusters upgraded Value chains, from production to end markets, strengthened		
Status of Implementation Progress (Outputs, Activities, and Issues)	<ul style="list-style-type: none">- Ten out of 128 prospective products that fall under the HVA and/or artisan product categories were selected .- Vehicle procurement done.- TA consultants conducted interviews with multiple value chain actors across four value chains (Peanut, Candy, Dairy & Nettle Fibre) in ten districts/clusters (Bumthang, Haa, Thimphu, Mongar, Sarpang, Lhuntse, Trashiyangtse, Pemagatshel, Chukha and Phuentsholing), based on which a data validation workshop was held, with attendance of government representatives and value chain actors. Workshop discussions included prospective market-based solutions for each value chain and packaging and branding strategy of One Gewog One Product (OGOP)' products.- Training workshop for good hygiene practices and good manufacturing practices for peanut and candy value chain was conducted.-All value adding machine been procured.		
Geographical Location	Nation-wide, Thimphu		
Summary of Environmental and Social Aspects			
Environmental Aspects			
Involuntary Resettlement			
Indigenous Peoples			
Stakeholder Communication, Participation, and Consultation			
During Project Design	Consultations in various modes have been conducted during project design to ensure concerns of stakeholders, if any, are addressed and incorporated into project design and implementation.		

During Project Implementation Periodic stakeholder consultation will be undertaken during workshops (inception, mid-term and completion), consultant field visits, and quarterly supervision missions. The comprehensive monitoring and evaluation system is to be developed for the TA, which will include gender-disaggregated information on numbers of beneficiary farmers, value adding enterprises and their employment, enterprise value and volume of sales, and other measures. Knowledge will be disseminated through training, value chain coordination forums, guidance notes and documentation of lessons learned.

Business Opportunities

Consulting Services ADB will engage consulting firm or a consortium of international and national firms in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time). The consulting services will be distributed over 36 months which will allow scheduling and specialist inputs in response to specific identified needs of stakeholders. These will comprise: (i) an international team leader agribusiness specialist/(4.5 person-months); (ii) a national deputy team leader enterprise capacity building specialist (12 person-months). In addition consulting services amounting to 8.5 person months will be provided by a team of international and national experts to cover areas such as market linkages, product formulation, and brand development.

Procurement Not applicable

Responsible ADB Officer	Norbu, Tshewang
Responsible ADB Department	South Asia Department
Responsible ADB Division	BHRM
Executing Agencies	Queen's Project Office His Majesty's Secretariat Kuengacholing Upper-Motithang, Thimthrom

Timetable

Concept Clearance	02 Nov 2016
Fact Finding	06 Sep 2016 to 20 Sep 2016
MRM	-
Approval	09 Dec 2016
Last Review Mission	-
Last PDS Update	01 Dec 2020

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Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
09 Dec 2016	17 Jan 2017	17 Jan 2017	31 Dec 2019	31 Dec 2020	01 Mar 2021

Financing Plan/TA Utilization

ADB	Cofinancing	Counterpart				Total	Cumulative Disbursements	
		Gov	Beneficiaries	Project Sponsor	Others		Date	Amount
500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	17 Jun 2022	471,289.01

Project Page	https://www.adb.org/projects/50069-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=50069-001
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