



Modernizing Bhutan's border management ecosystem to facilitate safe agri-food trade

The project aims to improve Bhutan's border management ecosystem to tackle SPS compliance issues and procedural obstacles at, behind and beyond its borders. This will be achieved by:

1. Enhancing national border and risk management frameworks for risk-based controls for selected border regulatory agencies.
2. Rolling out the ePhyto solution to exchange ePhytos with neighbouring and regional trading partners.
3. Establishing and strengthening mechanisms for national, bilateral, and regional coordination and dialogue on SPS and trade facilitation issues.
4. Strengthening quality management frameworks and capacities of SPS agencies through training on relevant international standards.

STDF/PG/734

Status

Awaiting

Project Value (US\$)

\$1,067,280

STDF Contribution (US\$)

\$967,800

Beneficiaries

Bhutan

Implementing Entities

International Trade Centre (ITC)

Partners

Bhutan Food and Drug Authority (BFDA)

Department of Revenue and Customs (DRC)

Background

Bhutan is largely an import-driven economy, with food products accounting for 16% of the country's imports in 2017. The key food and agricultural products that Bhutan imports, mainly from neighbouring countries, include rice, fresh vegetables, meat, fish, dairy products, fruits, and oil. Its primary agricultural exports consist of mandarins, apples, ginger, cardamom, vegetables, and highly valued products such as Matsutake mushrooms and Cordyceps sinensis.

Bhutan's border regulatory agencies conduct inspections, sampling, and testing of food and agricultural products at entry points

on a random basis. The Department of Revenue and Customs (DRC) and the Bhutan Food and Drug Authority (BFDA) have limited capacities to efficiently clear imports of food and agricultural products and, to date, apply summary import controls that mainly involve documentary examination and visual inspection of goods not based on scientific principles. A shortage of laboratory equipment and facilities for testing, along with a lack of adequate knowledge to employ modern testing and inspection techniques, poses additional challenges for Bhutanese border authorities. Information-sharing and coordination practices could be stronger among BFDA, DRC, and the Royal Bhutan Police officials. No proper system or database is in place to store the registration and compliance history of exporters, importers, and manufacturers.

The project will focus on improving Bhutan's border management system by addressing SPS compliance issues. This project is the first STDF country-specific grant dealing with the intersection of SPS regulatory compliance, border management, and trade facilitation. It is also STDF's first project in Bhutan.