

Summary of results 2019-2024



*Building capacity towards sustainable development for
the cashew nut supply chain in Vietnam*

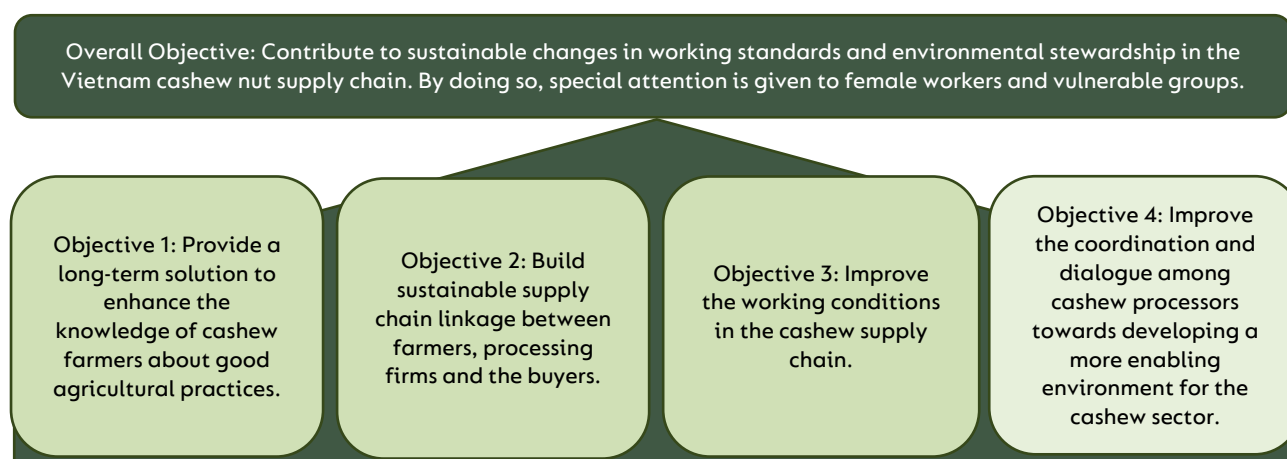
ABOUT THE PROJECT AND BACKGROUND INFORMATION

The project “*Building Capacity Towards Sustainable Development in the Cashew Supply Chain in Vietnam*” is managed by Ethical Trade Norway (ETN) working closely with the local implementation partner Center for Social Work – Community Development Research and Consultancy (SDRC) and participating companies. The project has also received external funding from Norwegian Agency for Development Cooperation (NORAD) (2020-2022) and the NorgesGruppen Sustainability Fund HANDLE (2023-2024). ETN has also invested in the project together with participating companies representing food retailers, food manufacturers and retailers in Europe.

ETN is a leading multi-stakeholder initiative promoting responsible business conduct in global supply chains, with 220 members including companies, organizations, and public sector. The starting point of the project was [an initial due diligence study](#), conducted by the Research Center for Employment Relations (ERC) in 2018 to assess potential risks regarding human rights, working conditions, and work environment in Vietnam's cashew supply chain. The study covered both the cultivation sector (focusing on Binh Phuoc province) and processing factories (located in Southern provinces) that export to Norway and Europe.

The figure below summarizes the Project’s objectives.

Figure 1: Project Objectives



Project Evaluation

By the end of 2024, the project has been active for nearly five years. The evaluation is key to assessing changes in beneficiaries' practices, particularly in agriculture, labor standards, and social and environmental management.

Using a participatory approach, the evaluation gathered insights from all stakeholders, including beneficiaries, the project team, and the coordinating organization. Findings are based on primary and secondary data, ensuring diverse perspectives. The project has sought to identify consistent patterns and results, and the information and result presented in this report has been gathered from various sources. However, we have not independently verified all data provided by the interviewed stakeholders.

The evaluation covers the entire project period (2019-2024) and focuses on objectives 1, 2, and 3, and this is a short summary of main findings.



Main findings from the project

1. Key Achievements:

Objective 1: Enhancing Farmers' Knowledge

- **Training results:** 63 trainers and supervisors (31% female) were trained. They supported more than 132 training sessions, with women making up 48% of attendees. 240 farmers have completed 10 training modules.
- **Knowledge and Practice Adoption:** Farmers reported significant improvements in knowledge of agricultural practices, labor standards, and environmental protection. More than 85% of farmers applied techniques such as canopy shaping, integrated pest management, and organic fertilization.
- **Promoting women's and children's rights:** The project promoted gender equality (equal pay practices) and child protection (reduced child labor).
- **Farmer Networks:** The project facilitated peer learning and increased cooperation among farmers, enhancing social capital.

Objective 2: Building Supply Chain Linkages

- **Challenges in Direct Trade:** Initial plans to establish direct trade between farmers and buyers faced difficulties due to a lack of traceability and logistical challenges.
- **Training for Cooperatives:** Two training sessions in 2024 helped cooperative leaders better represent farmers. Competency assessments showed that 80% of trainees achieved excellent results after training (up from 0%).
- **Industry Engagement:** The project organized workshops with Vietnamese cashew processors, European buyers, cooperatives, farmers and other industry stakeholders in 2023.
- **Research and Documentation:** A study on supply chain challenges and opportunities was completed, and guidance for European buyers on due diligence was published.

Objective 3: Improving Working Conditions

- **Enterprise Training:** 67 exporters and 53 subcontractors received training on labor standards and social dialogue.
- **Improved Workplace Policies:** Companies introduced social dialogue mechanisms, anonymous grievance systems, and wage adjustments to align with labor standards.

- **Labor Law Compliance:** Many small businesses and subcontractors had previously unknowingly violated labor laws. Training led to improvements in contract terms and worker protections.

2. Project impact:

- **Agricultural Productivity:** 81% of surveyed farmers reported improved cashew yields and nut quality due to better farming practices.
- **Economic Benefits:** Over 50% of farmers saw a significant increase in revenue.
- **Environmental Benefits:** Farmers adopted responsible pesticide use and waste management practices.
- **Gender and Child Protection:** Farmers now recognize, and address gender pay gaps and child labor issues.
- **Enterprise-Level Improvements:** Companies have enhanced labor relations, compliance with legal standards, and workplace conditions.

4. Conclusion:

The ETN Cashew Project has made significant progress in improving sustainability, working conditions, and labor standards in Vietnam's cashew industry. While challenges remain—particularly in direct supply chain linkages—the project has laid a strong foundation for systemic change. Continued efforts will be needed to sustain these improvements and further integrate farmers into the global cashew supply chain.