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ADB, ETG Partner to Strengthen Sustainable Coffee and Cashew Supply Chains in India and Viet Nam

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The Asian Development Bank (ADB) has signed a $50 million sustainability-linked loan with ETC Group (ETG) to support the procurement, market access, and exports of coffee and cashew from smallholder farmers in India and Viet Nam.

The financing will provide working capital for ETG to procure sustainably-sourced coffee and cashew from around 5,700 smallholder farmers, around 25 per cent of whom are women, in both countries. It will help uncertified farmers obtain sustainability certification and fair legal agreements that reduce their exposure to market risks, and enable farmers to secure more stable incomes. ADB will also provide $850,000 in technical assistance to improve farmers' capacity to adapt to extreme weather events, including through regenerative agroforestry practices.

"This investment demonstrates how ADB can work alongside other development finance institutions (DFI) to channel private capital into sustainable agricultural supply chains," said ADB Director General for Private Sector Operations Department Isabel Chatterton. "By joining a multi-DFI facility and linking financing directly to sustainability targets, we are helping thousands of smallholder farmersâ??especially womenâ??secure better incomes, access stable markets, and build resilience to extreme weather. This is consistent with ADB's commitment to mobilize $40 billion for food system transformation in Asia and the Pacific by 2030."

India is a major global producer of coffee and cashew, while Viet Nam is the world's largest exporter of processed cashew kernels and the second-largest coffee exporter. However, farmers in both countries often face financial constraints and limited access to affordable inputs such as high-quality seeds and fertilisers. Productivity is further affected by ageing coffee tree stocks, poor soil health, outdated farming practices, and changing weather patterns. Women farmers face additional barriers, including limited access to land, capital, information, and specialised training.

â??We are very pleased to partner with ADB in Asia, enabling us to truly make an impact on the lives of people, while keeping a keen focus on addressing pressing issues about climate change and land conservation. We are enthused to continue this journey and to play our role in creating a sustainable future for generations to come,â? said ETG Chief Treasury Officer Paul Van Spaendonk.

The loan is structured as a sustainability-linked instrument, tying borrowing costs to pre-agreed environmental and social targets. The targets were reviewed by Sustainalytics, an independent third party, which issued a second-party opinion confirming alignment with international best practice. Annual audits are performed by DNV.

The ADB loan will be part of an existing syndicated facility with seven other DFIsâ??Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., Trade and Development Bank, Deutsche Investitions- und Entwicklungsgesellschaft, FinDev Canada, OPEC Fund for International Development, SociÃ©tÃ© de Promotion et de Participation pour la CoopÃ©ration Economique, and Oesterreichische Entwicklungsbankâ??through an accordion option that allows additional lenders to join on the same terms. The facility includes a 2-year extension option.