PACIFIC ISLANDS FORUM

Pacific Community
Communauté du Pacifique

REGIONAL KAVA DEVELOPMENT STRATEGY

2024 – 2028

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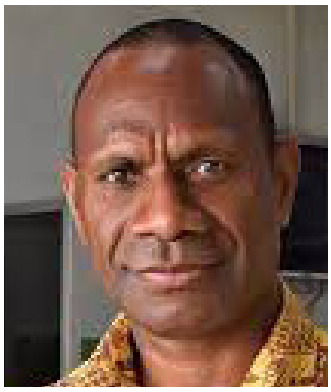
INTRODUCTORY REMARKS



Tekon Timothy Tumukon,
Chairperson
Forum KAVA Working Group

It is with great pleasure and a sense of profound responsibility that I introduce this regional Kava strategy. As the Chairperson of the dedicated committee tasked with its development, I have witnessed firsthand the tireless efforts, passion, and collective expertise that have gone into crafting this document. Kava holds a special place in the cultural, social, and economic fabric of our region, and this strategy represents our collective commitment to safeguarding its legacy while ensuring its sustainable growth and equitable benefits for all stakeholders in the Pacific.

Our journey in formulating this strategy has been marked by robust discussions, thorough research, and invaluable input from a diverse array of stakeholders, including farmers, industry experts, policymakers, community leaders and academia. Through this collaborative process, we have endeavoured to capture the aspirations and concerns of all involved, recognizing the nuanced complexities inherent in Kava cultivation, trade, and consumption. This strategy reflects not only our shared vision for the future of Kava but also our collective resolve to address the challenges and seize the opportunities that lie ahead.

As we embark on the implementation phase, I am filled with optimism about the transformative impact this strategy will have on the Pacific region's Kava sector. It is my sincere hope that this document serves as a blueprint for action, guiding our endeavours towards a more resilient, inclusive, and sustainable Kava industry. I extend my deepest gratitude to all those who have contributed to this endeavour and urge our stakeholders to join hands as we work towards realizing the full potential of Kava for the benefit of our communities and future generations. I applaud the officials of the Secretariat of the Pacific Islands Forum for facilitating the collation of all information that comprises this strategy.

Kava Nursery, Taveuni Research and Development Centre, Fiji

FOREWORD

Henry Puna,
Secretary General
of the Pacific Islands Forum
2022-2024

The importance of KAVA for the Pacific region and her people has grown increasingly over recent decades with the Pacific being home to some of the highest producers of KAVA globally, as well as being a unique niche in itself for the region. KAVA has grown from an item of immense cultural significance to now being one of the top exports for many of our Pacific economies, and even offering avenues for new industries for Forum Island Countries such as the Solomon Islands and Papua New Guinea.

In 2007, Forum Leaders noted the pivotal cultural significance of KAVA and began working on mechanisms to maximize this cultural product for the region's economic benefit. Our Forum Leaders recognised recognised then that KAVA can contribute to Pacific and international trade, being of a strategic significance for the sustainable development of the region, as well as being one of the drivers of economic growth and prosperity in our Pacific communities.

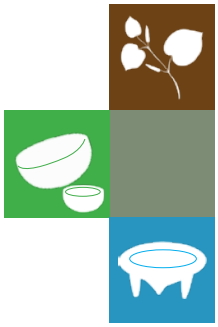
This led to the Trade Ministers agreeing in 2020 and 2021 to maintain discussion on KAVA at regional and international fora, determine how to enhance market access and market diversification for KAVA and KAVA products, and endorse the development of a Regional KAVA Development Strategy. These events came as the result of Forum Member feedback regarding the importance of a relevant Strategy to guide the region on this important Pacific good.

This Pacific Regional KAVA Development Strategy comes at an opportune moment for our Forum Island Countries as our economies continue to grow from the lingering repercussions of COVID-19, particularly in building on existing and new opportunities for KAVA as a niche product to ensure that our region remains resilient in the midst of various global susceptibilities. The strategy focuses on short, medium, and long-term measures that can best be delivered through collective action, therefore complementing national aspirations and frameworks already established.

Equally so, the strategy aligns with the overarching vision of the 2050 Strategy for the Blue Pacific Continent as mandated by our Forum Leaders in increasing economic opportunities for our Pacific people through mechanisms that utilize our region's resources in a productive and sustainable manner.

I am pleased to present the completion of this Strategy which represents the culmination of years of extensive advocacy and commitment to protect our Pacific product to the global community. Additionally, I wish to express my sincerest gratitude to all of our key stakeholders who have provided an immeasurable amount of information and support, which have helped to validate every aspect of this high-level strategy.

As the strategy now enters into the next implementation phase, it will be imperative that our region continues to work collaboratively in setting up the proper mechanisms to ensure that our region leads the way with this most significant and unique Pacific product.



ACKNOWLEDGEMENTS

The Pacific Regional KAVA Development Strategy was prepared by the Pacific Islands Forum (PIF) in partnership with the Pacific Community (SPC), with the guidance of the Forum KAVA Working Group. The development of the strategy was under the overall responsibility of Mr. Zarak Khan – Director Programme and Initiatives, and Noah Patrick Kouback – Programme Adviser (Trade) and led by Ms. Sapai Moana Matariki, with invaluable support from Mr. Sanfred Smith, Value Chains Expert (SPC), Ms. Sereima Rokoqiqi and Mr. Isireli Vulaca. Technical support was provided by Mr. Tanuvasa Semy Siakimotu and Dr. Viliame Kami.

Funding for the publication of the strategy was made possible through partnership with SPC, particularly the International Trade Centre's (ITC) ACP Business Friendly Program: Supporting value chains through inclusive policies, investment promotion and alliances, under the intra-ACP funded by the European Union (EU) and the Organisation of African Caribbean and Pacific States (OACPS), EU-PIFS Strengthening Pacific Intra-Regional and International Trade (SPIRT) Project, with valuable support from Ms. Setaita Tupua, Team Leader (SPIRIT), Ms. Veronika Manoa, and Ms. Julie Tuikubulau.

The Pacific Regional KAVA Development Strategy development was conducted under the overall direction of Forum Members, and benefitted from the invaluable input of the many partners, notably the KAVA value chain stakeholders in particular the farmers, processors, exporters and Importers, the national KAVA working groups and committees, including but not limited to;

The Fiji - Ministry of Commerce, Trade, Tourism and Transport; The Fiji – Ministry of Agriculture; The Vanuatu - Ministry of Foreign Affairs International Cooperation and External Trade; The Vanuatu Ministry of Agriculture, Livestock, Forestry, Fisheries; The Tonga - Ministry of Trade and Economic Development; The Tonga Ministry of Agriculture and Food, Forests and Fisheries; The Samoa - Ministry of Foreign Affairs and Trade; and Ministry of Commerce, Industry and Labour; The Federated States of Micronesia Department of Resources and Development Division of Trade and Investment and Department of Health and Social Affairs; The Solomon Islands Ministry of Foreign Affairs and External Trade; and Ministry of Agriculture, The Papua New Guinea National Trade Office, and Ministry of Agriculture; the Pacific Trade Invest Network; the Department of Foreign Affairs and Trade of Australia; The Pacific Community (SPC); The Pacific Horticultural and Agricultural Market Access Plus (PHAMA Plus) Program; The World Intellectual Property Organization (WIPO); The Centre de coopération internationale en recherche agronomique pour le développement (CIRAD); The International Trade Centre (ITC); The Organisation of African, Caribbean and Pacific States (OACPs); the regional and national private sector stakeholders and non-governmental organisations present throughout the consultation phase; and other relevant stakeholders involved throughout the entirety of the formation and review process of the Pacific Regional KAVA Development Strategy.

PARTNERS

EUROPEAN UNION

International Trade Centre

The Commonwealth

Pacific Horticultural & Agricultural Market Access Plus Program

Supported by Australia & New Zealand

SPREP

Secretariat of the Pacific Regional Environment Programme

WIPO

WORLD INTELLECTUAL PROPERTY ORGANIZATION

USP

THE UNIVERSITY OF THE SOUTH PACIFIC

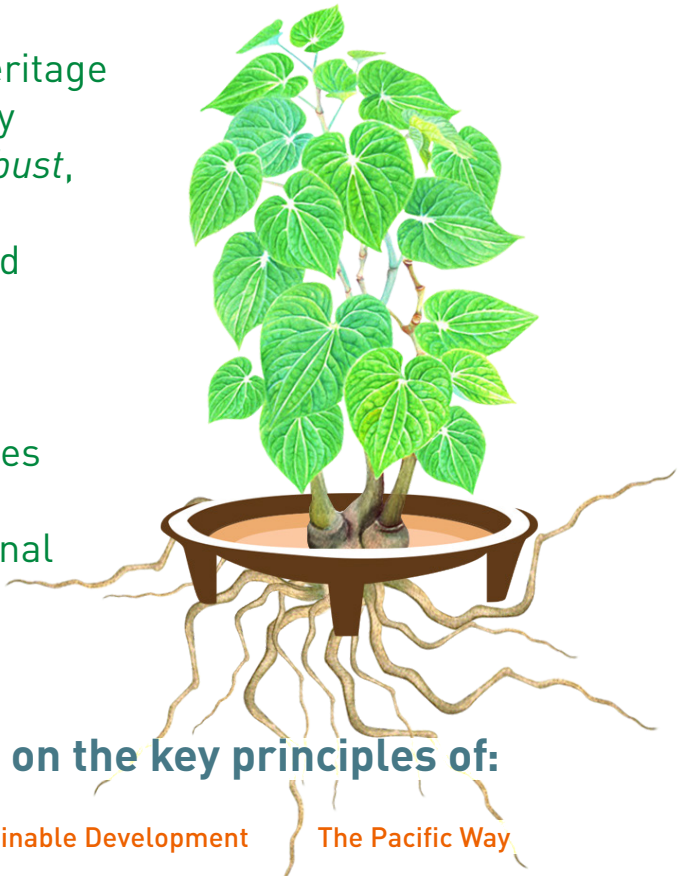
INTRODUCTION

The *Piper methysticum* G.Frost plant, known also as "KAVA", "awa", "ava", "yagona", "malogu", "sakau", "koniak" is vital to the Pacific, contributing to our rural peoples' livelihoods, sustainable development, and prosperity of our Pacific peoples'. In recognising the contribution of noble KAVA to the economies of our Pacific, Forum Trade Ministers endorsed the Concept Note to develop the Strategy in 2021 with the guidance and oversight of the Forum KAVA Working Group to respond to strategic and intentional interventions in the KAVA sector, with a united approach on key strategic priorities as agreed to by the Pacific, whilst complimenting national efforts. The Strategy aligns to the 2050 Strategy for the Blue Pacific Continent.

The objective of this high-level overarching strategy is to analyze the performance of the KAVA value chain in the region in order to identify collective constraints to be removed and to foster development. The aim is to help Pacific stakeholders increase the volume and value of exports of products from the KAVA value chain and increase competitiveness of enterprises in the Pacific operating in this value chain. The achievement of these objectives would contribute to improve competitiveness among economic operators, by creating access to other markets (international, regional and national) and ultimately increasing incomes of producers in rural areas, representing the majority of the population in the Pacific region.

VISION

Having respect for KAVA's traditional and cultural heritage we envision a participatory and inclusive, *resilient*, *robust*, and high-quality[1] KAVA industry. With an expanded *sustainable* production for new market opportunities that yields *prosperity* and *wellbeing* for Pacific peoples through regional efforts which complements national interests.



The vision is anchored on the key principles of:

Our Culture, Heritage and Traditions

where KAVA plays a key role in cultural, heritage and symbolic meanings, including our traditional knowledge; associated with it the various traditional preparation methods, procedure, distribution and consumption.

Sustainable Development

to ensure the sustainable management of and best practices in farming and production of KAVA to meet demand, address the increasing impacts of climate change and soil degradation.

The Pacific Way

where "talanoa" / "storian" / "dialogue" takes place to address common issues, whilst recognising regional cooperation and our shared commitment to work together, plays an important part to achieving the greatest benefits for our people.

1 A high-quality kava industry that encompasses and encapsulates several key factors that includes community ownership, gender equality and social inclusion, sustainable production, processing and manufacture, and distribution of kava products meet international standards.

MINISTERS' MANDATE

Strategic Context

The Piper Methysticum plant otherwise known as "KAVA[2]" (when mixed with water) has been used in cultural ceremonies and traditional occasions in the Pacific Island countries for centuries and is part of the Pacific's cultural heritage. In recent years, the KAVA sector has been regaining recognition in the export markets and are an important sector for seven of the 18 members of the Pacific Islands Forum (PIF), contributing to their economies and providing trade opportunities for the wellbeing and prosperity of our Pacific peoples. These seven countries are Federated States of Micronesia, Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu

While much progress has been made over the years in the KAVA sector, Forum Trade Ministers recognised and reiterated the importance of the sector at their meeting in Suva, Fiji in 2020 and agreed to maintain discussions on KAVA at regional and international fora, and to determine ways to enhance market access and market diversification for KAVA and KAVA products. Subsequently Forum Trade Ministers encouraged the finalisation and adoption of regional KAVA standards in line with the CODEX Alimentarius provisions.

In 2021, the Forum KAVA Working Group was established to have oversight of the Strategy, in collaboration with the Pacific Community (SPC) and the Pacific Horticultural and Agricultural Market Access Plus program (PHAMA Plus) in consultation with stakeholders along the KAVA value chain in the seven commercial KAVA producing countries.

The regional strategy will work inter-alia with the national strategies and vice-versa, recognising and as identified by Members what can be addressed at the national and regional level.

Alignment

The Pacific Regional KAVA Development Strategy 2024-2028 is aligned to the Pacific Aid-for-Trade Strategy 2020-2025[3] which identifies high priority issues where there is value in addressing them at the regional level and ensures resourcing for the priority areas that are Member-driven.

In July 2022 Pacific Islands Forum Leaders at their 51st Meeting endorsed the 2050 Strategy for the Blue Pacific Continent which provides an opportunity to shape our future in working together whilst ensuring that regional efforts complement the national interests of Members. The regional efforts through common positioning in technology, scientifically based research, cultural

2 In working towards protecting "KAVA" as the name and geographical indication for the piper methysticum plant by the Pacific Islands, the word is capitalized throughout the document and the Strategy.
3 https://www.forumsec.org/wp-content/uploads/2020/04/Pacific-Aid-for-Trade-Strategy-2020-2025.pdf

values and traditional knowledge, and equitable partnerships to derive economic benefits from our resources in a manner that will maintain environmental integrity and drive sustainable economic prosperity and development for all Pacific peoples[4].

The 2030 Agenda for Sustainable Development is being addressed by Pacific Islands Forum Members and to which SDG1 (No Poverty), Goal 2 (Zero Hunger), Goal 3 (Good Health and Well-being), Goal 5 (Gender Equality), Goal 8 (Decent Work and Economic Growth), Goal 12 (Responsible Consumption and Production), and Goal 13 (Climate Action) is considered and integrated within the Strategy.

The Regional KAVA Development Strategy (the Strategy) offers a collective vision for transformational progress in advancing the KAVA sector. This Strategy was developed iteratively and through a highly consultative, multi-stakeholder process. The fulfilment of the vision will rest on an implementation approach that is as collaborative as the Strategy consultation process and, the commitment and collective action of all stakeholders.

The Implementation Plan and Action Matrix will outline in detail the agreed collective activities that will respond to the region's strategic priorities, and where partners and donor agencies are encouraged to support.

4 https://www.forumsec.org/wp-content/uploads/2022/08/PIFS-2050-Strategy-Blue-Pacific-Continent-WEB-5Aug2022.pdf

THE REGIONAL LANDSCAPE

The seven commercial KAVA producing countries[5] with production capacity in the range of 32,000 to 35,000 tonnes green KAVA(Vanuatu) and 13,000 tonnes of dried kava (Fiji)[6], and increasing production in Papua New Guinea, Tonga, Samoa and Solomon Islands.

The KAVA industry in the region is characterised by small medium enterprises and small holder farmers with the current export sector for KAVA dominated by Vanuatu and Fiji with the overall industry structure prevailed by few export companies in Vanuatu, Fiji, Samoa, Tonga and the Solomon Islands.

According to the Agriculture and Forestry Policies in the Pacific the four common regional themes were:

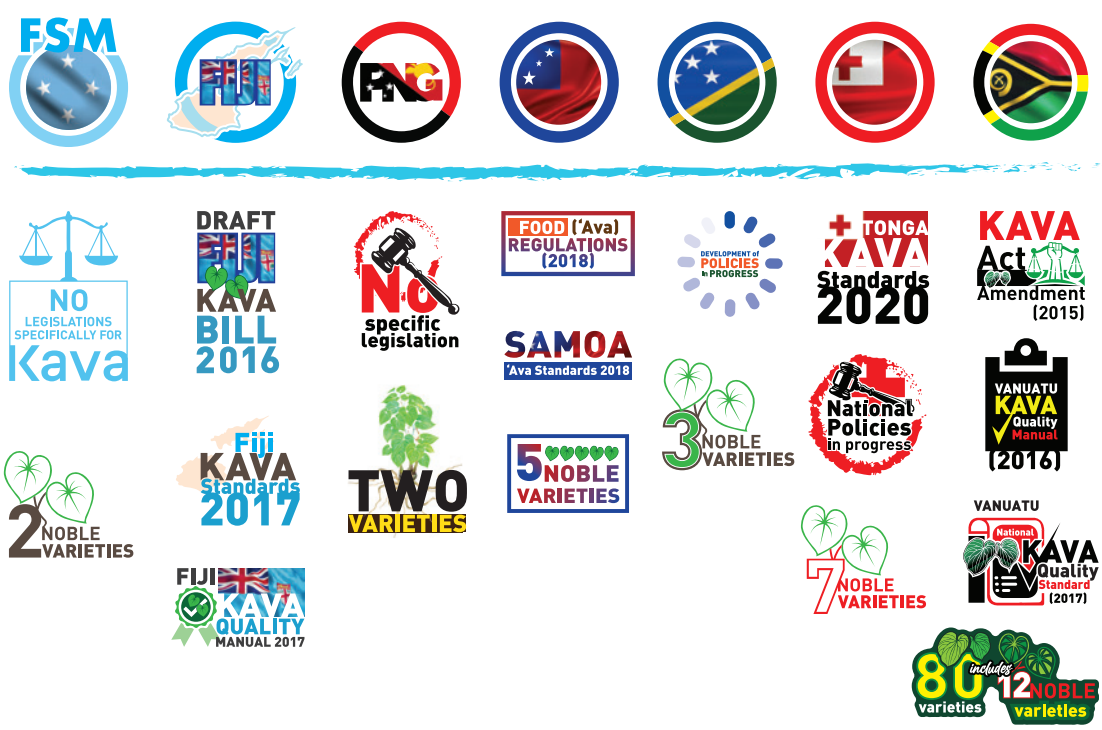
Taking KAVA within this regional context, KAVA would fall under the "economic, sustainability and effective institutions" theme. The KAVA industry is becoming a significant contributor for the KAVA producing economies where the Pacific are diversifying their KAVA products and working towards high quality standard KAVA products in its targeted export markets.

5 Fiji, Federated States of Micronesia, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu
6 Assessing the Feasibility of Digitising the Kava Value Chain in the Pacific, 2023, Commonwealth Secretariat

THE ENABLING ENVIRONMENT

The regulatory, institutional, and legislative framework to support the development of KAVA demonstrates KAVA producing countries are in the process of putting in place the necessary structures including national KAVA strategies. Vanuatu has in place a KAVA Act 2002 (amendment 2015) and a national KAVA strategy, and Fiji a draft KAVA Bill 2016. With the support of PHAMA Plus, Fiji, Samoa, Tonga, and Vanuatu have in place national KAVA quality standards[7], with the Solomon Islands in progress. There is an ongoing effort to develop a KAVA National Strategy Plan (KNSP) for Tonga with a first draft in the pipeline[8]. It is envisaged that there be a regional approach in the review and update of KAVA related legislations.

LEGISLATIVE ENVIRONMENT FOR KAVA IN THE PACIFIC



MAIN ASPECTS TO ENSURE EFFECTIVENESS

STRENTHENING OF POLICIES, LEGISLATIONS, MECHANISMS AND INSTITUTIONS

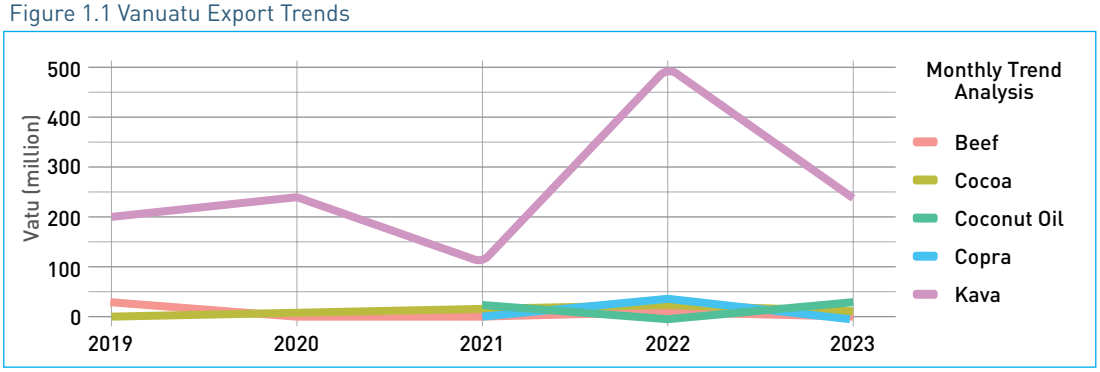
7 Australian and New Zealand governments (www.phamaplus.com.au). 13 PHAMA Plus – Vanuatu-Fiji-Tonga-Samoa KAVA Quality Standard: https://phamaplus.com.au

8 ICR Facility intervention in Tonga: Development of a Gender Inclusive KAVA value chain in Tonga Project Inception Report

OUR MARKETS

With about 118 known cultivars in the Pacific region, and constituting a significant share of total export value in countries such as Fiji and Vanuatu, making the sector vital to their economies[9].

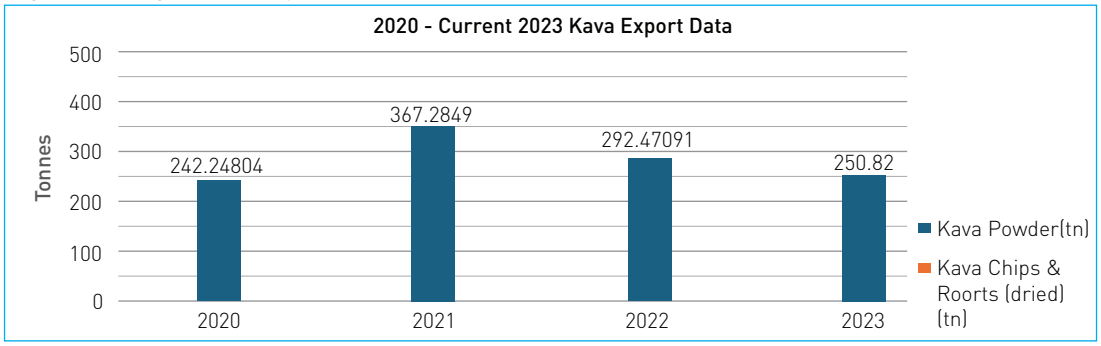
Figure 1.1 Vanuatu Export Trends



Source: Vanuatu Department of Statistics

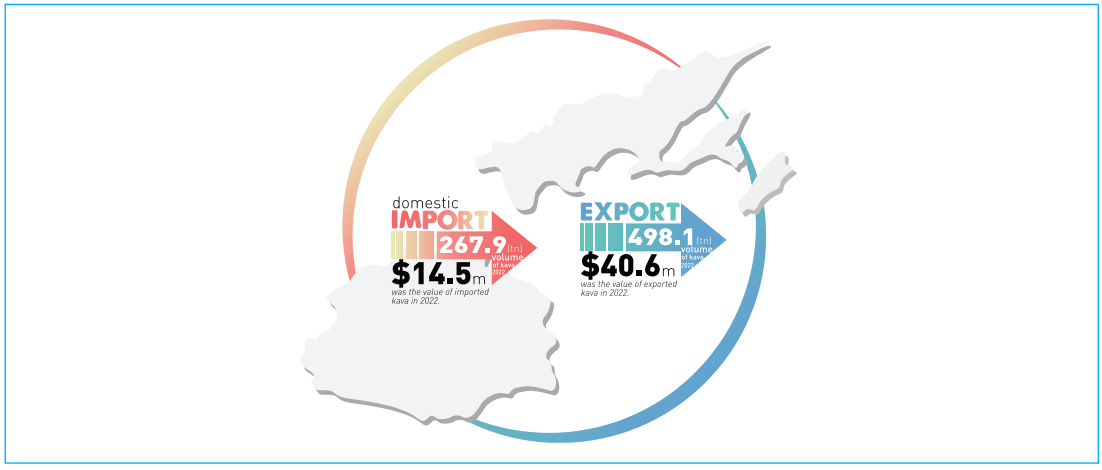
In Fiji, 18,478 Households are growing yaqona (KAVA) with 498.1 tonnes exported in 2022. In Vanuatu KAVA contributes to the largest share of its exports, surpassing its traditional exports.

Figure 1.2 Tonga's KAVA Exports



Source: Tonga Ministry of Trade and Economic Development

Figure 1.3: Fiji's KAVA Trends



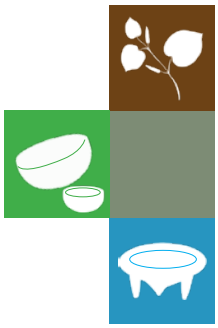
Source: Fiji Ministry of Agriculture

9 Fiji imported FJD$20.7m worth of KAVA from Vanuatu in 2019

Although limited data exists, the total production capacity is estimated at around 32,000 fresh weight in Vanuatu, and about 13,000 tonnes of dried KAVA in Fiji,Tonga, and followed by Samoa and Solomon Islands, with the potential for Papua New Guinea to grow in the future.

There are over 200 KAVA bars across the United States, with increasing demand in Australia and the other key market sectors driving the demand for an alternative natural product. There are over 21,000 KAVA farms in Fiji, with about 20,000 households in Vanuatu planting KAVA. In Fiji, KAVA is a major contributor to Fiji's economy, after taro and ginger. For Vanuatu, KAVA has surpassed coconut oil and copra and others, making it the largest export commodity for Vanuatu[10].

At the same time, production tends to ebb and flow with the rise of new KAVA origins and the decline of others: this is determined mainly by the level of investment in farm planting and maintenance. The question in the case of KAVA, and that of many other small KAVA producers, is not about the ability to export but how export success can be translated into local benefit.



10 Assessing the Feasibility of Digitising the Kava Value Chain in the Pacific, Commonwealth Secretariat

MARKET TRENDS

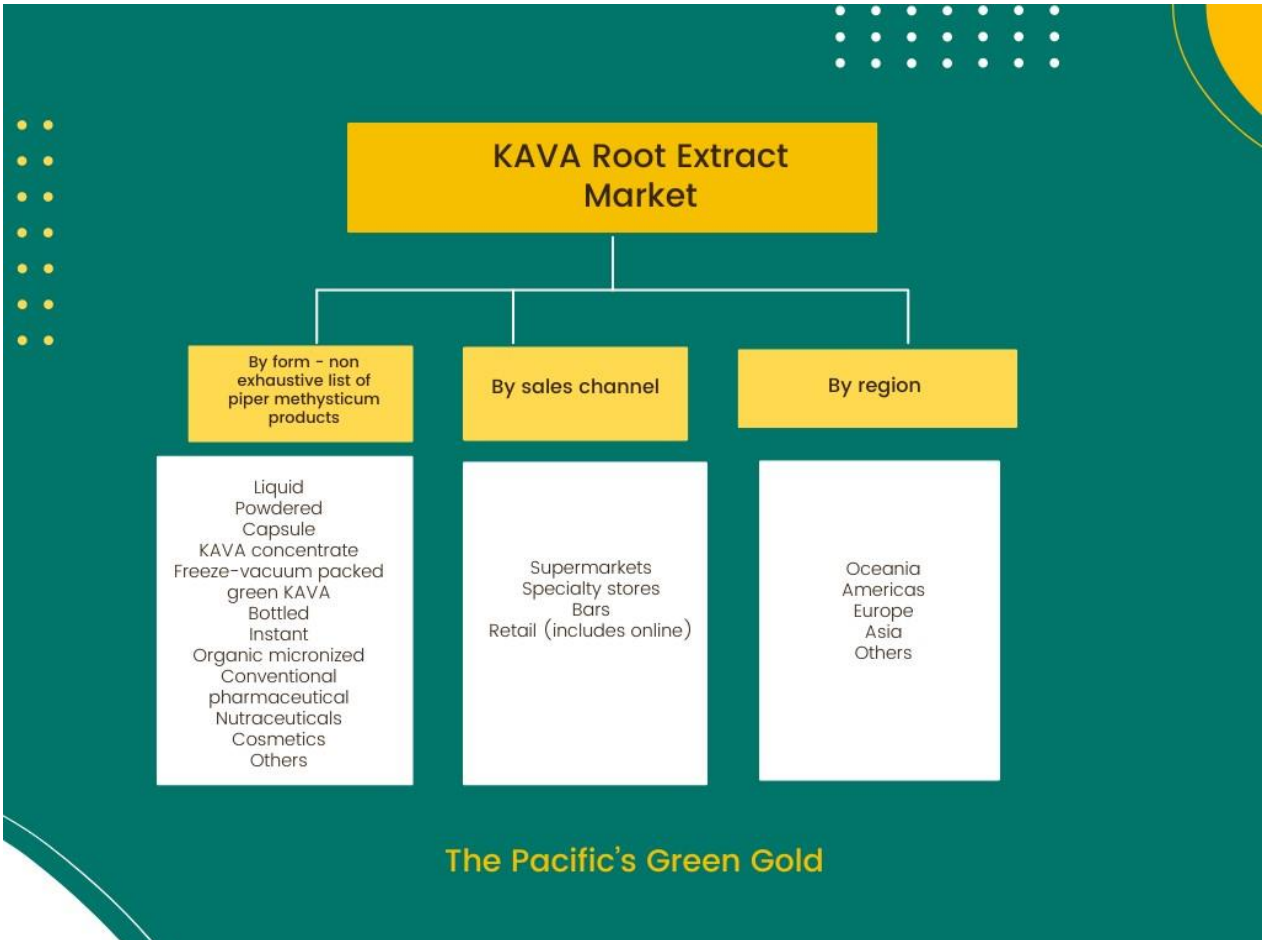
Although, Fiji, Federated States of Micronesia, Tonga, and Vanuatu consume half of their KAVA crops, contributing to reduced availability for export, in the medium to long term this possibly enables the countries to be selective in their KAVA exports, helping build specialty (noble) brands and command a premium.

This high domestic consumption encourages sustained KAVA productivity, and in cases where we have experienced boarder closures due to COVID-19, KAVA farmers and producers still have access to markets. The Pacific region is currently focusing on the improvement and investment in product quality development such as minimally processed KAVA, notably fresh KAVA, dried KAVA roots, KAVA chips, and KAVA extracts.

Given KAVA's role in the Pacific, regional coordination should be improved, so that the producing countries can work together to chart a sustainable and positive future for KAVA – especially regarding sustainable natural resources management, market access and demand. There is significant potential for KAVA transformation, whether for local or export market as a food when consumed as a beverage in its traditional form or powder. For now, the majority of KAVA is exported raw and dried without processing, with minimally processed KAVA exported[11].

11 Regional KAVA Development Strategy Concept Note, 2020

Graph 1: Piper Methysticum Market



Leveraging Tradition and Innovation

A tradition built on centuries of well-maintained processes remains at the heart of the region's KAVA legacy. The marketplace of the 21st century also requires a different level of innovation and outreach. Today's marketing strategies are diligent in including presence and interaction at both regional and international events.

From the region's perspective, it is not necessarily the revolution in how KAVA is made, but a revolution in how KAVA can be received on the global stage. It is about maintaining the cultural aspects that surround KAVA but moving forward to being recognised for the calming effects and alternative beverage that it is and moving the industry from just dry powders.

In moving forward with research and innovation selected areas of geographic production in the Pacific are developing a reputation for uniquely favoured, high intensity, high quality, single cultivar KAVA. However, the industry will only prosper and compete internationally if it can create and deliver quality 'value' in the minds of the final consumer.

VALUE CHAIN CONSTRAINTS AND OPPORTUNITIES

Various policy documents have identified a need in the Pacific for developing industries in the region and at the same time for integrating markets in such a way that regional trade is enhanced, industrialisation is accelerated, cooperation between Member States is further facilitated, and poverty alleviation is achieved. Agricultural products in the region are produced and exported in its raw form and in many cases processed elsewhere with very little value added in the Pacific.

In analysing bottlenecks and opportunities, stakeholders agreed that, at present, the KAVA value chain as a whole has some structural inefficiencies, especially if compared with major international products (coffee, cocoa, etc.). Similarly, export of other value-added 'piper methysticum' products and pathways to targeted markets, permits excellent margins should these be developed further.

11 Steps from planting to drinking

CONSULTATION FINDINGS & COMMON ISSUES

There were common factors identified for the Pacific region, those that are country-specific and others that are stakeholder-specific. The Strategy focuses on the factors most commonly occurred across the value chains and across countries. The most common factors were analysed according to the challenges, opportunities and reference was made to the roles that government and private sector could play to address these common issues in the implementation and action matrix.

NATIONAL

Value Chain Activities	Constraints	Opportunities
Input provision and nursery Operation	• High costs of farm inputs • Inadequate supply of good quality planting materials • Limited access to planting materials • Limited number of nurseries	• Extensive R&D on varietal improvement • Planting materials • Establish nurseries • Development of standards capabilities
Production	• Limited processing facilities • Limited value adding activities • Quality standards	• Underutilized capacity, presence of support facilities • Increase demand for processed products • Availability of support services • Investment opportunities • Development of standards capabilities - consistency of standard and quality along the value change is maintained.
Local trading	• Low level of consciousness on product quality and standards • Conditions of the agriculture feeder roads and distance to farms	• Development of standards capabilities • Presence of consolidators/ exporters • Entry of new players, encourage competition • Registration of all farmers, exporters, and KAVA varieties to assist in traceability aspects of KAVA
Exporting	• High transport costs • Freight costs • Quality standards	• Subsidies • Investment opportunities • Development of standards • capabilities

Value Chain Activities	Constraints	Opportunities
Price Control	• Pricing issue noting that KAVA farming, like produce, can be labour intensive • Farmers expressed the need to have a price control embedded within policies to ensure that farmers also reap maximum benefits.	• Price guidelines and benchmarks
Access to Finance	• The need to have access to finance (fund facilities expansion establish country, improvement of agriculture access/ feeder roads)	• Strategic partnerships • Mobilisation of resources • Development of standards capabilities

REGIONAL

Value Chain Activities	Constraints	Opportunities
Farming Practices	• Clearing of land to accommodate the increased number of KAVA farming contributes unsustainable rates of deforestation further contributing to loss of biodiversity and soil nutrients. • Quality standards • Limited information and advise on participatory land practices to be more sustainable	• Strengthened and improved KAVA cultivation practices and sustainable natural resources management, with a whole ecological approach to KAVA farming, combining traditional knowledge with modern technology and innovation Development of standards capabilities Regional programmes and information on land practices • Consideration of crop agronomy
Standard/ Quality and Marketing	• The consistency of standard and quality of KAVA • The production of KAVA needs to be in alignment to the Food Act • Limited use of food grade standard equipment's • Lack of support for marketing and promotion	• Development of regional standards capabilities • Marketing and promotion support and strategies

Value Chain Activities	Constraints	Opportunities
Awareness, advocacy & Capacity Building	• Insufficient information and training on sustainable farming practices • Lack of information on different KAVA varieties, KAVA materials/ catalogues that contains necessary information to assist KAVA startups, financial literacy, quality assurance of KAVA • Lack of information on cyclone seasons to avoid KAVA supply disruptions • Limited use of new technology to harness KAVA productions • Financial literacy for farmers including women and youth • Limited sharing of information from experienced KAVA producing countries and vice-versa for improvements along the value chain	• Increased awareness and sharing of information • Guidelines and information on cyclone preparedness, good agricultural practices for cultivating KAVA, and how climate and other environmental factors affect KAVA, crop management and profitability. • Research and Development • Access to financial literacy programmes and capacity building empowerment • Peer-to-peer learning exchanges
Access to Finance	• Limited production • Limited value adding activities • Limited expansion from subsistence to commercial	• Strategic partnerships • Presence of financial support • facilities • Increase demand for processed products • Availability of support services
Infrastructure	• Limited production infrastructures including water access, testing labs and processing facilities (shed, solar driers, centralized facilities to assist startups etc.)	• Presence of consolidators/ exporters • KAVA production infrastructures available and accessible to all farmers and exporters along the KAVA value chain
Research & Innovation	• Limited value-added and product range • Need for more research on KAVA and diversification	• Inovating ways of improving the KAVA industry • Diversifying into pharmaceuticals, nutraceuticals, wellness products, cosmetics etc

THE STRATEGY

KAVA has real potential in the agri-industry to significantly contribute to poverty alleviation and inclusive economic growth and development through livelihood and job generation. Furthermore, KAVA production only requires small monetary investment or start-up capital. This explains why 90% of the growers are small farm holdings. The suitability of intercropping other crops with KAVA and the 3-year minimum harvesting period, are some of the most valued advantages of this high value crop. The early return on investments and high profitability of the product also ensure good income augmentation potential.

A coordinated and revitalised approach for the development of a regional KAVA development strategy is anticipated to complement the national effort, take into account the past valuable lessons, studies and ad-hoc interventions, and noting the sensitivities, to inform KAVA development into the future, through collective action. With the experience of the COVID-19 pandemic, it is evident that the KAVA sector is contributing to the recovery of Pacific economies.

The various policy documents have identified a need in the Pacific for developing industries in the region and integrating markets in such a way that regional trade is enhanced, industrialisation is accelerated and cooperation between Member States is further facilitated and achieved. Agricultural products in the region are produced and exported in its raw form and in many cases processed elsewhere with very little value added in the Pacific. It is also the only plant grown and unique to the Pacific region in terms of its strong cultural heritage and traditional values.

Given these opportunities, players across the KAVA industry value chain are determined to boost their sustainable productivity and competitiveness in order to bring about a significant impact in the overall economic development of the region.

The intention of this strategy is to contribute to the strengthened performance of the KAVA value chain through identification of collective solutions at the regional level to address the common constraints facing the industry. This will be fostered through sound policy initiatives and regional outputs to support the industry and propel KAVA development with positive outcomes and impacts for the sector, stakeholders and Pacific economies.

Kava processing facility, Tonga

OVERARCHING APPROACH

This Regional KAVA Development Strategy is guided by the Leader's commitment under the 2050 Strategy for the Blue Pacific Continent's thematic area on "Resource and Economic Development" for strengthened collective action in delivering growth in accordance with the aspirations for our people through the KAVA sector.

Through the series of consultations with the private and public sectors, this 2024 - 2028 Regional KAVA Development Strategy, is based on a value chain approach, recognises the intricate relationship between agriculture and the environment, and the link between poverty alleviation and a sustainable and competitive KAVA industry, that is environmentally sound, economically viable and socially and culturally apt.

In considering the cultural heritage and socio-economic importance of the KAVA sector in the Pacific, the macro-economic standing of the KAVA value chain, and its capacity to generate shared prosperity, the stakeholders have identified the following strategic priorities in no particular ranking, that represent the transformational change desired in the sector by 2028, the implementation of the priority areas will outline the timelines and actions to be undertaken:

The Six Strategic Priorities

1. **Support an enabling institutional regulatory environment.**
2. **Develop and promote a whole ecological approach to KAVA farming that combines traditional knowledge (know-how) with modern technology and innovation to achieve a more sustainable and ecologically resilient industry.**
3. **Develop a regional KAVA programme for the sector (finance, capacity building, trade and investment)**
4. **Develop a regional KAVA export, marketing and promotion Strategy.**
5. **Market access and product diversification**
6. **"KAVA" Protecting a biocultural heritage of the Pacific Islands**

Recognising the importance of data and information, and positioning KAVA and its related products in the international arena, "Digitisation" will be the "rail" upon which the future development of KAVA, quality across the value chain - production, trade, and investment in the region will be anchored. A national and regional approach to KAVA digitisation through a model of Digital Public Infrastructure (DPI) will be needed for full functioning of the six strategic priorities. The approach to KAVA digitisation will be positioned within the overall agricultural sector digitalisation strategies, as well as the supporting roles of both the E-commerce (i.e. the Regional E-commerce Strategy and Roadmap) and Pacific Quality Infrastructure initiatives in countries and across the region.In addition a collaborative marketing strategy for the region's KAVA in the international markets will be ideal.
In terms of quality assurance, the Pacific Quality Infrastructure Initiative, provides for the development of standards capabilities in the region.

The six strategic priorities also incorporates the cross-cutting aspects of inclusivity and empowerment of youth, vulnerable groups, including people with disability, and women throughout the value chain. To drive this change, the Regional KAVA Development Strategy also features pathways that interlink with the priority areas in particular through the implementation plan and action matrix.

Drying Facility, Taveuni, Fiji

STRATEGIC PRIORITIES

Support an enabling institutional and regulatory environment

While the commercial KAVA producing countries have undertaken some legislative work on KAVA, much remains to be done to ensure regulated quality standards and certification are attainable. It is important that any development takes place within a robust enabling framework, for the long-term sustainability of the sector.

Lessons learned from the past show the need to place a high priority on quality and compliance with market requirements. It is critical however, that any policy development is mindful of the small scale farmers and communities. For the development of any KAVA related policies, quality and reliable data is critical for an accurate assessment of the state of the sector and to see where the gaps are in production, consumption, research and development, and trade and policy.

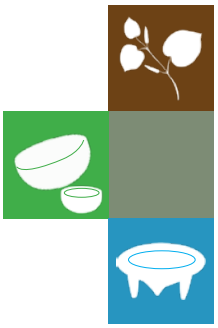
The recognition of KAVA as a beverage and the characteristics of KAVA is slowly being recognised at the international markets i.e Australia, New Zealand, USA etc. for its soothing effects when taken as a beverage. To ensure that consistency in the standard and quality of KAVA exported to these markets continues and is maintained, stakeholders highlighted the need to have policies that takes into account the establishment of standard operating procedures, issuance of licenses, regulating domestic markets, geographic indications and branding, and where these do not disadvantage stakeholders at each step of the value chain.

There is more research and development needed on KAVA and its products, and where adequate focus and investment is needed through a coordinated mechanism encompassing the key activities, funding, development and training.

KAVA processing facility, KAVA House, Mele Rd, Vanuatu

PATHWAYS TO PRIORITY 1

Current Status	Priority Pathways	Outcome
Uniqueness of KAVA being eroded	Limit outside access to planting materials	Model KAVA legislative framework
Limited quality data collection	Comprehensive data collection systems and support development of Digital Public Infrastructure (DPI) for management of KAVA data	A regional KAVA data hub
Only one of the seven KAVA commercial producing countries with policy, legislations and strengthened institutions	Build genuine and balanced relations through the value chain, noting the amount of effort, time and finance by farmers	Regional efforts to harmonise policies and rules on quality standards for KAVA amongst Members
Minimal Monetary benefits for farmers in the KAVA sector		A Regional KAVA Institute



DEVELOP AND PROMOTE A WHOLE ECOLOGICAL APPROACH TO KAVA FARMING THAT COMBINES TRADITIONAL KNOWLEDGE (KNOW-HOW) WITH MODERN TECHNOLOGY AND INNOVATION TO ACHIEVE A MORE SUSTAINABLE AND ECOLOGICALLY RESILIENT INDUSTRY.

With renewed market interest and increasing demand for KAVA, the production of KAVA across the Pacific Islands has increased over the past six to ten years, leading to unsustainable farming practices and poor management of soil health, deforestation (land clearing is moving up slopes) and biodiversity loss.

Notwithstanding this, is also the die-back disease that is affecting the sector.

There is a need to increase awareness and access to information on sustainable farming practices combining traditional knowledge, and farming practices with modern technology and innovation, information on planting materials, and KAVA varieties, as well as improve information on cyclone seasons, to better manage KAVA supply disruptions and market volatility. The aim is to manage resources sustainably and develop a more ecologically sustainable and resilient KAVA industry.

Climate change is already having significant impacts on KAVA production due to rising temperatures, increasing rainfall leading to record flooding etc. More intensive cyclones and droughts are causing massive destruction to the crop in the major KAVA production countries. These conditions also affect the yields and the quality of the KAVA plant upon harvest and processing. There is an urgent need to mitigate the impacts of climate change through the development and implementation of adaptation measures that lead to more sustainable (resilient) farming systems.

The impacts could be substantial, leading to possible conservation conflicts in land use and freshwater ecosystems. Agricultural adaptation and conservation efforts are needed to anticipate and prepare for these multiple possible direct and indirect effects.

Thus, a whole ecological approach that combines key factors such as soil health and conservation biodiversity service, water management integrated pest management, as well as emphasis on the KAVA die-back disease.

PATHWAYS TO PRIORITY 2

Current Status	Priority Pathways	Outcome
• Farmers need advice to adopt participatory land practices to be more sustainable • Some KAVA nurseries have supported farmers gain access to ready-to-plant KAVA seedlings	• Support sustainable use and management of KAVA production including best practices for sustainable intensification, soil biodiversity, and pest management	• Effective Crop Management Practices and enhance seed systems
• Better policies and sustainable farming methods are needed to minimize land degradation, erosion and loss of forest cover as well as the need to increase awareness on sustainable farming practices • Deforestation occurring in larger island countries with large swathes of natural rainforest	• Promote and use improved innovative climate smart technologies throughout the value chain • Promote more traditional mix cropping	• Better understanding and awareness of beneficial KAVA crop mixes that supports soil health and other key benefits • More resilient cropping systems
• Minimal information on cyclone seasons available to avoid KAVA supply disruptions	• Promote knowledge sharing on noble KAVA varieties, including scientific composition and description	• Integration of climate and disaster resilience into policies, planning, decisions and actions for KAVA • Safe movement and sharing of healthy KAVA planting material (KAVA tissue cultures and seedlings)
• Climate change impacts significantly reduce production • Attempts to develop KAVA tissue cultures to assist with mass production of desired noble varieties have been unsuccessful	• Invest and support the development of noble KAVA and KAVA tissue cultures	• A mutually recognised regional institute for research, testing and innovation

DEVELOP A REGIONAL KAVA PROGRAMME FOR THE KAVA SECTOR

Access to finance and capacity building remain key issues in developing the KAVA sector, as well as attracting the level of investment in the Pacific Islands. In understanding national concerns in the KAVA sector, members and stakeholders agreed that certain issues need to be addressed at the regional level noting their cross-cutting nature relevant for the entire value chain, notably access to finance, integration of regional transportation and establishment of public private platforms for value chain stakeholders.

An exchange of knowledge between KAVA producing countries with the objective of promoting a sustainable and transparent value chain could promote sustainable practices for all stakeholders along the value chain, provide an open space for intersectoral dialogues within the KAVA sector, and document and share relevant, diverse and updated information on good practices of sustainable KAVA in the different KAVA producing countries.

Youth, women and the vulnerable contribute to the sector and play an important role throughout the value chain and should be given equal opportunities.

PATHWAYS TO PRIORITY 3

Current Status	Priority Pathways	Outcome
• Lack of inclusivity of youth and women (financial literacy)	• Implement initiatives and develop policies that recognise and prioritise the role of youth, women, and the vulnerable groups	• Regional KAVA guidelines to empower KAVA farmers, youth and women
• Lack of central KAVA information platforms	• Support and promote public diplomacy, KAVA forums, KAVA campaign and engagement to ensure KAVA issues remain a priority	• A regional knowledge hub and portal for KAVA
• Working in silos in the KAVA sector	• Support, strengthen and facilitate knowledge sharing, study tours and technology transfer	• A south-south cooperation on peer-to-peer learning programme for KAVA
• Drain in labour force		

DEVELOP A REGIONAL KAVA EXPORT, MARKETING AND PROMOTION STRATEGY

KAVA products have been mis-used and mis-understood in the past, it is imperative that as a region, the Pacific sets the narrative for the KAVA sector, ensuring it is well represented and understood through advocacy, export development and market promotion.

The Pacific KAVA producers and consumers need to be empowered to promote the benefits and consumption of KAVA beyond the Pacific Island diaspora communities. Increased and effective awareness on KAVA will need to go beyond the traditional marketing and promotion strategy but encouraged at the highest level through political and diplomatic channels.

There is a need to boost the visibility of KAVA, through collaborative efforts to improve the image of KAVA in markets in Europe, Africa, Asia and the Caribbean's, with the support of initiatives such as the E-commerce strategy, and strategic partnerships amongst others.

There should be a shift from just powdered KAVA to other value-added products and support towards development of policies that promote future investments towards value addition in the Pacific. A reinforced regional collaboration mechanism would be desirable towards protecting KAVA as unique to the Pacific through intellectual property and branding tools to secure long term benefits that reach the grass roots.

PATHWAYS TO PRIORITY 4

Current Status	Priority Pathways	Outcome
• Limited knowledge in foreign markets on KAVA and its benefits	• Pursue KAVA's marketability through certification, targeted investment in innovation and product development, branding and promotion	• Regional marketing, promotion and investment strategy for KAVA
• Limited regional KAVA platforms and lack of coordination to support collaboration with stakeholders	• Build genuine and balanced relations with international and development partners and defend the collective interests of Members	• A regional intellectual property strategy
• Exports of raw KAVA products with minimal value addition • Limited knowledge on barriers to KAVA within the KAVA producing countries	• Study on barriers to export at national level	• Regional annual KAVA festival and an e-market platform for KAVA • Improvements in KAVA exports from KAVA producing countries
• Existing barriers to European and other markets	• Develop strategies to address barriers to European and other markets	• Promotional videos using our Pacific Island sports stars (professional athletes and friends of the Pacific • Access to all markets and regions

MARKET ACCESS AND PRODUCT DIVERSIFICATION

The potential exists to grow and expand the KAVA sector beyond its current traditional form where KAVA is dried and exported in chips and powdered and as beverage in liquid form. Supporting value chain improvements, product diversification and processing to complement national efforts would foster favourable new market opportunities. This would see the region building and strengthening its networks, capacity, and skills development at all levels in collaboration with private sector, researchers, academia, and technical institutions to steer and innovate product development to meet novel market preferences.

Further research and value-add models focused on consumption preferences in the various markets could change the picture for KAVA. Promoting KAVA consumption and developing markets for all types of KAVA's can make an important contribution to achieving a balanced and more sustainable KAVA market.

The regional strategy acknowledges and promotes the market pathway underpinned by the Codex Regional Standard for noble KAVA products for use as a beverage when mixed with water. However, it also recognises there are a host of foods and drinks, including cakes, biscuits that can be produced for the export markets, breaking the 'normal' forms of KAVA consumption.

Whilst recognising that KAVA can bring in immediate cash for farmers and processors, it means that they have put in all the work to make a valuable product that is easy to trade, whilst letting go of all the value add to those further down the chain.

PATHWAYS TO PRIORITY 5

Current Status	Priority Pathways	Outcome
• Scientific and technological initiatives will need to be appropriate to context, and supported and sustained in the long-term through building of local capacity, skills and knowledge	• Support scientific and technological initiatives to develop innovative options for KAVA (pharmaceuticals, nutraceuticals and flavored/mixed beverages	• Established Regional Export pathways for value-added KAVA products to new markets
• Post-harvest quality standard issues	• Assist producing countries with market requirement (Hazard Analysis and Critical Control Point (HACCP) rules.	• A regional intellectual property strategy
• Substandard KAVA processing facilities	• Strengthen research and innovation	

"KAVA" PROTECTING A BIOCULTURAL HERITAGE OF THE PACIFIC ISLANDS

Piper methysticum a plant originating from the Pacific Island Countries and Territories, also traditionally known as "KAVA" in the region, holds a significant role in the Pacific. There is currently no specific intellectual property (IP) right protecting the denomination "KAVA" to identify and brand this traditional quality product linked to origin from the Pacific Islands.

There is also great diversity amongst the Islands where the denomination identifying the drink vary – and where it may be prepared differently, used in certain cultural events, and using different cultivars. Therein it is essential to maintain the diversity of "KAVAs" at national and local levels, and for an agreement on the definition of "KAVA" with a regional coverage, whilst maintaining the minimum quality standards, cultural values and environmental safeguards at regional level.

An agreement amongst the countries concerned on the definition and protection of "KAVA" as a geographical indication in the territories of the countries covered by the agreement, to protect in the region the denomination "KAVA", whilst working in parallel on the development of the IP legislative framework at the national level.

The agreement and related protection in the territories of the member countries will in turn be the basis for requesting recognition and protection of "KAVA" as a geographical indication in foreign markets, through the most appropriate means (suis generic GI system, trademark system or international agreements).

PATHWAYS TO PRIORITY 6

Current Status	Priority Pathways	Outcome
• Limited IP and GI legislations, only one Pacific Island country is a party to the Lisbon Agreement	• Strengthen national legislative and institutional framework to secure effective protection of GI's and related IP rights	• Regional protection through a treaty to enable the recognition and protection in third countries of the IP rights of the People of the Pacific relating to the denomination "KAVA" for a beverage made from extracts of the roots of the noble piper methysticum when mixed with water

PATHWAYS TO PRIORITY 6

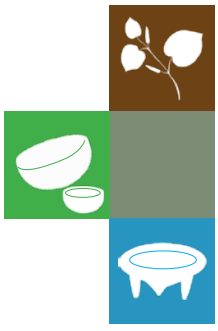
Current Status	Priority Pathways	Outcome
Scientific and technological initiatives will need to be appropriate to contexts, and supported and sustained in the long-term through building of local capacity, skills and knowledge	Assist producing countries with market requirement (Hazard Analysis and Critical Control Point (HACCP) rules	Adopt an agreement amongst the Pacific countries defining denomination "KAVA", its qualities, the geographical delimitations, the minimum production standards
With the increasing interest in "KAVA" internationally, there is a risk that the IP rights that will secure exclusive use of "KAVA" for producers from the Pacific Islands might be lost	Strengthen research and innovation	Protect the GI denomination, as a geographical indication in the countries who will adopt the agreement

IMPLEMENTATION OF THE STRATEGY

The adoption of this living document is the beginning of a process wherein all Members, stakeholders, institutional, technical and development partners will work together to realise their shared ambitions and priority actions in the KAVA sector.

Implementation of the Regional KAVA Development Strategy 2024 - 2028 will requires a combined, collective, cooperative and, collaborative effort. Within the Strategy and the agreed strategic priorities, the KAVA Working Group will guide the identification not only of the specific actions needed and results to be achieved, but also steer the development of the implementation plan and action matrix with the collaboration of PIFS, SPC and PHAMA Plus.

The Implementation Plan & Action Matrix will provide a framework for actions and outlines the strategic vision and its proposed, future trajectories on how to respond to current, emerging, and future priorities of Members and KAVA stakeholders. It would be designed to enable flexible and responsive implementation through specific actions and is subject to regular review in accordance with sectoral and organisational priorities. It is through the Implementation Plan where partners will be identified and encouraged to support.



REPORTING, MONITORING AND EVALUATION

The oversight and monitoring of the implementation of the key deliverables of the Strategy will be guided by the Forum KAVA Working Group with coordination by the PIFS and in collaboration with SPC and PHAMA Plus. An implementation plan relating to the collective strategic priorities will be developed, monitored, and reported to the KAVA Working Group for evaluation. The Strategy would be reviewed mid-way through the five-year period of the Strategy.

Reporting, monitoring, and evaluation related to the Strategy would be a continuous process that is overseen by the KAVA Working Group with progress reports to the respective Forum Trade Ministers and Ministers of Agriculture.

Workshop on the Implementation Plan and GI for KAVA, Nadi, Fiji)

GLOSSARY

ACP	Africa, Caribbean and Pacific Group
AfTS	Aid for Trade Strategy
COMSEC	Commonwealth Secretariat
CROP	Council of Regional Organisations in the Pacific
DSB	Dispute Settlement Body
EIF	Enhance Integrated Framework
c-EPA	Comprehensive Economic Partnership Agreement
EPA	Economic Partnership Agreement
GI	Geographic Indication
I-EPA	Interim Economic Partnership Agreement
KWG	KAVA Working Group
NCD	Non-Communicable Disease
OCO	Oceania Customs Organisation
PACER Plus	Pacific Agreement on Closer Economic Relations
PAfTS	Pacific Aid for Trade Strategy
PCN	Post-Cotonou Negotiations
PICTs	Pacific Island Countries and Territories
PICTA	Pacific Island Countries Trade Agreement
PIF	Pacific Islands Forum
PIFS	Pacific Islands Forum Secretariat
PNG	Papua New Guinea
R&D	Research and Development
RMI	Republic of Marshall Islands
RoO	Rules of Origin
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollar
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation

NOTES

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