



In recent years, small and medium-scale growers were troubled in the Davao Region's top economic activity: banana production. Productivity was down, fruit quality was deteriorating, and costs were high. A result was that many individual growers dodged supply contracts and sold to buyers that offered better prices.

"We couldn't let those problems continue," says Rene Dalayon, leader of the region's banana industry cluster team.

has eight, banana, coconut, information and communication technology, mango, mining, seaweed, tourism and wood.

JICA is providing the push in this key southern region, training the teams and strengthening the clusters through the Davao Industry Cluster Capacity Enhancement Project or DICCEP.

DICCEP prepares the ground for "collaboration of those concerned," says Tetsuo Inooka, JICA Chief Advisor for the project. "They all contribute, on a voluntary basis," he adds.

On their own, the clusters have developed strategic plans – "eight industry plans and eight strong industry clusters," Director Loreto says – and begun their projects, with JICA funding.

For example, the wood cluster which includes processors and furniture makers, has trained 230 farmer-beneficiaries, including upland indigenous people, in planting trees. It has set up two nurseries and plans to develop a 50-hectare pilot plantation.

The mango cluster has acquired technology

POVERTY REDUCTION

# Industries in collaboration, in clusters

An industry cluster is a grouping of interconnected businesses and groups in a particular sector so that these, together, can compete nationally and globally. A cluster team coordinates its activities.

Now Rene's cluster gets big contracts in Japan, "We go from village level to municipal level to provincial level, to regional level – we can go big volume anytime he says.

Clustering has developed teamwork among stakeholders and "removed the to each-his-own mentality," says Marizon Loreto, the Davao Regional Director of the Philippine Department of Trade and Industry.

The department initiated clustering in the country's regions, she says. But whereas some regions have one or two, Davao Region

Begun in 2007 and ending in June 2010, DICCEP has provided training to stakeholders in the industries and to officials to national government agencies – the agriculture, environment and natural resources, tourism and science and technology departments, among others – and local government units

It made in-depth analyses of the industries, from production to marketing and conducted regular planning workshops for the clusters. It sent cluster officials and technical staff for training in Japan for banana, wood and mango clusters and in Thailand for the tourism cluster.

While providing know-how, DICCEP has likewise provided small community-based infrastructure and equipment, such as boats for the seaweed cluster.

for dwarfing trees, which will make it easier for farmers to fight pests and bolster productivity, and technology for year round production and supply.

The seaweed cluster serves as the smallest of the eight industries, with 25 cluster team members and 61 beneficiaries. But its benefits can be large, as seaweed farming has given an alternative income source to impoverished fishermen, says Reynante Mariano, its technical consultant.

The cluster has pinpointed sites for the two model cooperative farms, where an initial 10 men and 10 women are preparing planting materials while also making cupcakes, nuggets and other value-added goods made of seaweeds.

