



ANNUAL REPORT – 2024

OF THE UKRAINIAN CLUSTER ALLIANCE



UKRAINIAN
CLUSTER
ALLIANCE

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The year of transformation and development

Introduction from the Executive Directorate of the Ukrainian Cluster Alliance

The year 2024 was a time of active development, significant challenges, and remarkable achievements for the Ukrainian Cluster Alliance (UCA). During this period, UCA strengthened its position in internationalization, innovation support, and the expansion of the cluster ecosystem. The Alliance became an effective platform for uniting Ukrainian and European partners, supporting small and medium-sized enterprises (SMEs), and implementing tools for digital and green transformation (the twin transition).

Over the year, UCA achieved significant results in the following areas:

- **Membership expansion and enhancement of cluster management standards.**
- **Internationalization** through increased business missions, participation in new European consortia, and deepened cooperation with EU countries.
- **Innovation leadership**, including support for European Digital Innovation Hubs (eDIH) and the development of the first twin transition roadmap for the light industry.
- **Financial diversification:** Increasing the number of funding sources to 10, which ensured greater financial stability compared to previous years.
- **Initiation of cluster policy projects** at the national and regional levels.

Alongside these achievements, UCA faced challenges that highlighted areas for further growth, such as **low capacity of some clusters** to develop and implement joint projects, **insufficient leadership** and limited resources to support and scale innovative initiatives, and **decreased efficiency of shared Resource Centers**, which affected internationalization efforts.

Considering the challenges, the UCA Executive Directorate has planned structural changes and new programs aimed at enhancing the capacity of clusters. The main areas of work for 2025 include:

- **Strengthening cluster management** by implementing medium-term growth programs.
- **Expanding international cooperation** through the organization of business missions, creation of consortia, and scaling the Professionals4Ukraine network.
- **Extending twin transition roadmaps** to new sectors of the economy.
- **Introducing the first cluster policies** at both the national and regional levels.

UCA continues to play the role of a key driver of cluster development in Ukraine. The Alliance provides a platform for acceleration, integration, innovation, and sustainable growth, benefiting both clusters and their close partners.

The UCA Executive Directorate expresses its gratitude to all clusters, donors, international organizations, and partners who actively supported the development of the cluster movement in 2024. Your cooperation is a vital contribution to building an innovative and competitive economy in Ukraine.

Oleksandr Yurchak, CEO of UCA.

1. Key achievements

In 2024, UCA continued to experience growth. The Alliance grew in the number of real clusters, established quality standards for cluster management, diversified in funding sources, expanded the number of EU countries in cooperation, and started developing a cluster policy with the Ministry of Economy. In figures and facts, it looks like this:

1. **Growth in the number of members and quality of clusters.** UCA has expanded from 24 to 44 clusters, bringing together key industries, including energy, IT, agro-industry, defense and innovative technologies. The first 3 ESCA certifications begin setting quality standards for the entire Alliance.
2. **Diversification of funding.** More than 10 funding sources have been involved, including Horizon Europe, Interreg Europe and support from USAID, UNDP, and UNIDO.
3. **Sustainable development in internationalization.** UCA expanded the geography of connections and influence, covering new EU countries with closer ties. In 2024, ties were strengthened with Norway, Denmark, France, and Great Britain, alongside the traditional relations and exchanges with Poland, the Czech Republic, Romania, and Germany.
4. **Institutional development.** Accelerate GDT project started work with the Ministry of Economy on creating a national cluster policy, and at the end of the year, started a project on creating cluster policies in 6 regions.
5. **Innovative development.** The two main achievements in this area are the leadership of 5 clusters in the European Digital Innovation Hubs (EDIH) and the creation of the first Ukraine roadmap of the twin transition of SMEs for a Textile industry.

2. The main indicators of UCA activity in 2024

The directions for the development of UCA were defined in [the analytics of the annual report for 2023](#) and were later adjusted at several strategic sessions, as well as within the framework of current projects. They are related to strengthening internationalization, optimizing action plans and resources for the structural units of the Ukrainian Cluster Alliance, focusing on priority projects, issuing methodological recommendations and best practices, and creating a unified communication strategy.

Not all target installations in these directions were achieved in 2024. The overall overview of the KPI and its comparison with 2023 follows.

KPI	2023	2024	Comments
A. Membership in UCA and quality standards			
1. Number of members (at the end of December)	21	44	Link on members of the UCA
2. Multi-level membership	-	30/14	Two membership categories — Full Members and Associate Members

3. Number of certified clusters (ESCA)	1	3	Kharkiv IT cluster, APPAU, Lviv IT cluster
B. Fundraising for UCA clusters			
1. The number of projects in the work of the Executive team of the Ukrainian Cluster Alliance	6	9	UCA CapGrowth, Cluster Fundraise, SME congestion, DT4SME, EEN, Accelerate GDT, GDT Textile, ClusterINT, DanubIA, Cluster6Regions
2. Volumes of financing for the year, euros	250	490	Grants, including financial support from partners
3. Assistance in the creation of consortia	2	8	EU-Ukraine cluster partnership, EDIHs, Horizon Europe
4. Diversification of funding sources (including transitional projects 2023-24)	5	8	2023: GIZ, USAID, Renaissance, UNDP, EEN, 2024: GIZ, USAID, Renaissance, UNDP, EEN, Interreg Europe, Interreg Danube, UCORD
C. Internationalization			
1. Number of business missions	5	10	Warsaw (2), Brussels (2), Brno, Oslo, Kraków, Chişinău, Hanover, Prague
2. The number of active international consortia	2	7	Kharkiv IT-clusters (2), Rivne IMC (2), PFC (1), UCA (2)
3. Coverage of clusters with internationalization services (missions and, including consortia)	20	22	see details in section 2.3
D. Advocacy and lobbying			
1. Number of issued position papers	5	2	Strategy for the development of SMEs of the Zaporizhia region, Road map of the twin transition for the Textile industry
2. Number of submitted draft laws	0	1	Proposals for the SME Strategy, 2027
3. The number of central (COVV) and regional (ROVV) executive authorities in regular cooperation.	1-0	1-3	Ministry of Economy – Lviv, Odesa, Kyiv
E. Project activity and innovative development			
1. Update of projects in the general portfolio of UCA	>50	21	A new portfolio of projects via the link
2. The number of implemented or launched projects in the cooperation of clusters (all directions)	0	3	Consortiums EU-Ukraine clusters partnership with clusters Kharkiv-IT (+2 IT clusters of Dnipro and Odesa), Rivne IMC (+ 2 clusters from Kyiv and

			Vinnytsia. GDT Textile project (APPAU + 2 clusters of UCA)
3. Number of joint, innovative projects	0	2	GDT Textile and the development project of innovate strategies for defense industry (Vinnytsia and Kyiv hi-tech)

As these data show, according to most indicators, UCA has quantitative and qualitative growth. Instead, the unfulfilled (of the planned) tasks in 2024 are the following

- creation of methodological recommendations on the best practices of UCA
- creation of a common communication strategy
- optimization of the structure of the UCA as the launch of Resource Centres, and the separation of the executive structures of the APPAU and the UCA (which were and are still affiliated).

Next, each of these directions and indicators is given in more detail in the table.

2.1 Growth in UCA — membership, interaction and quality standards.

2.1.1 Expansion of the UCA and transition to multi-level membership

In December 2023, new rules finally came into force in the UCA, according to which each participant had to confirm his status in the UCA as a “valid member” (with membership fees) or to change to the status of “associates” (do not pay dues). As a result, at the end of December 2023, there were only 21 members left in the UCA. During the year, the number of members increases monthly, and by the end of December 2024, there are 44 clusters, of which 30 are valid and 14 are associated.

New clusters—just created this year—should be noted among those that joined the UCA in 2024: the Thermal Energy Cluster of Ukraine, the Ukrainian Cybersecurity Cluster, the Science Parks of Ukraine, the Southern Ukrainian Cluster of Reconstruction and Restoration, the cluster of medical product manufacturers, the Medical Innovation Cluster in Volyn, the Ukrainian Cluster of Dual-use Technologies, and the Carpathian Industrial Cluster.

The rapid joining of the newly created clusters to the UCA also indicates the growth of market awareness and the image of the UCA as the leading cluster association. Therefore, it can be concluded that:

The UCA's two-level membership system attracts new members and unifies the country's entire cluster movement.

In return, the Executive Directorate cites the system's shortcoming as the low level of membership fees (10,000 UAH per year) — they provide less than 5% of the UCA budget. De facto, the UCA's entire activity occurs through three primary sources: grants, sponsorship, and resource support from APPAU.

2.1.2 Quality standards of cluster management

Since its launch in 2022, UCA has raised questions about the compatibility of the clusters with **quality requirements according to ECCP** (European platform of cluster collaboration). These minimum requirements relate to the number of members (min. 15) and the presence of a website that reflects the actual activities of working with its members and providing them with at least two types of services regularly. In accordance with this, the UCA has defined the criteria for valid membership, which, in addition to the specified criteria, also determines the need to pay membership fees within a cluster and membership fees to the UCA. By the decision of the General Meeting on July 24, the minimum number of members in the cluster **was reduced to 5 for the wartime period**. The General Meeting argued for this by stating the need to unify the clusters of Ukraine.

In 2024, the EU4Digital project on the analysis and certification of innovative clusters by the ESCA (European Secretariat for Cluster Analysis) standard greatly influenced the profiling of the quality standards of the Ukrainian Cluster Alliance. This standard specifies 28 criteria for evaluating clusters in 5 zones: **the organisation's structure, the number and composition of members, the presence of formalized strategies and action plans, financial stability, the number, and quality of services, and the main achievements**. The project significantly advanced the ESCA standard in the environment of UCA clusters, and 3 clusters from Ukraine won the ESCA Bronze level award – APPAU, Kharkiv and Lviv IT clusters.



At the same time, the analytical report of EU4Digital focuses on significant growth areas of clusters in their capacities, structure, services for SMEs in the twin transition, availability of public financing, as well as innovative development. See a detailed overview of the UCA on this topic at EU4Digital via the [link](#).

2.1.3 Conclusions in the area “Membership and quality standards”

In summary of UCA's development in this field, it is important to note the key aspects.

Main achievements in 2024:

- The transition to two-level membership resulted in a twofold increase in UCA. Today, UCA unites about 70% of the clusters actually operating in Ukraine (excluding the IT sphere).
- There has been a significant increase in awareness of clusters regarding the nature and quality standards of real clusters and their differences from other types of organizations.
- Inclusion as “Associated members” in other key organizations, like the Regional Development Agency.

The main areas of growth relate to the growth of clusters' leadership and capabilities in setting up innovative activities, supporting SMEs in the twin (digital and green transition), intercluster cooperation, and conducting joint projects (see next chapter).

2.2 Cluster collaboration and interaction, optimization of resources

The year 2024 was a turning point in the UCA's understanding of how to unite clusters in common formats. The decisive factor in this is the awareness of the clusters' low capacity to **independently and quickly unite and cooperate in facing common challenges**. The reality is that in none of the Resource Centers (RC), except for the Medical Center, did we not receive positive changes in the key KPI—**creation and implementation of joint cluster projects**.

Practically all joint teams demonstrate weak capabilities in the main methodological approach aimed at consolidating clusters — **the ability to fix and meet common challenges**. According to the Executive Directorate of the Ukrainian Cluster Alliance, the main reasons are the lack of leadership, competencies, and skills of team managers. Individual successes and progress (as [Committee of Cluster Policies and Innovations](#)) should be assigned not to the ability of cluster consolidation or their expertise but rather to the influence of the CEO of UCA on several leading experts.

The Industry 5.0 community of practices (CoR 5.0) is considered today as an alternative approach. It has been established and consists of 8 Working Groups, fig.1

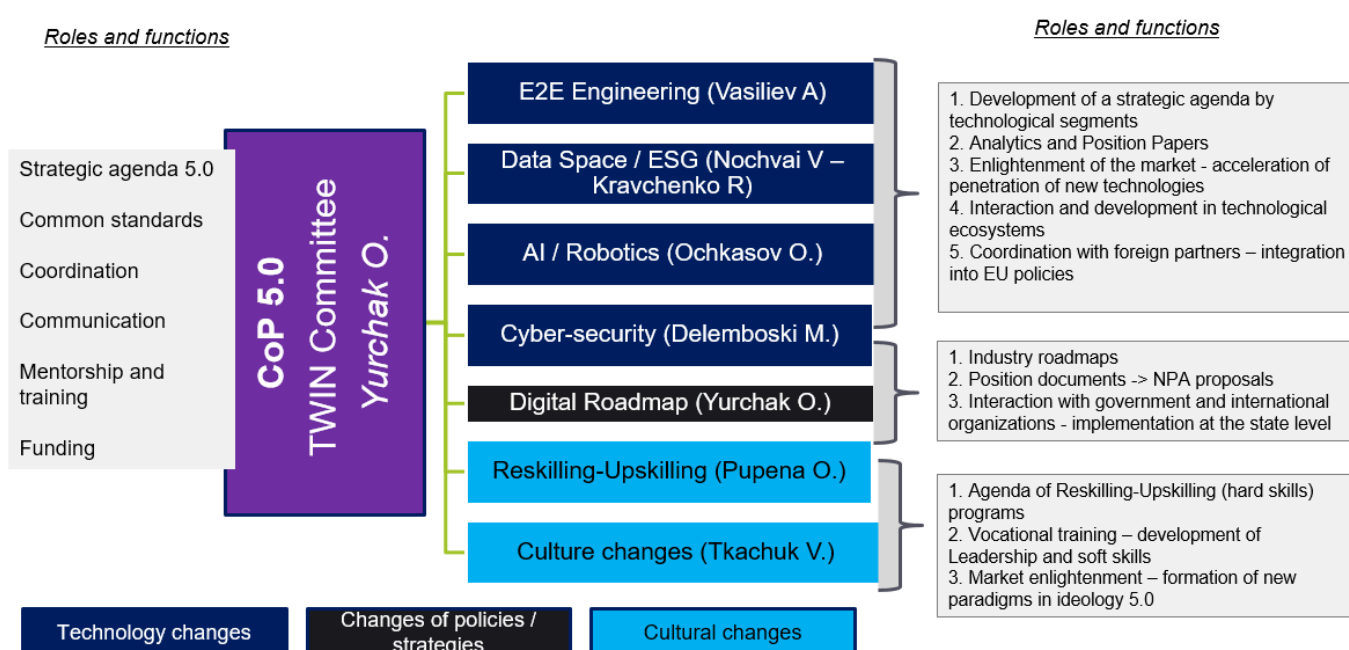


Fig. 1 New format of collaboration coming from Twin Committee and transformed to CoP 5.0

Thus, by the end of 2024, the UCA had a significant transformation of its collective resources:

- The vast majority of structural divisions, where leadership was delegated to clusters, have stopped working (the exception is the “Medical Clusters” RC, which has a strong leader)
- The newly created UCA working Groups, under the full control of the UCA Executive team, consolidate, plan, and develop. At the end of the year, the directorate had eight working groups in CoP 5.0 and four in the RC “Dual Use Technologies,” where the next changes took place in December.

Working groups of UCA have become the leading resource in preparing and implementing joint projects. [The new portfolio](#) was proposed in October 2024; it replaces the previous portfolio prepared for Košice and significantly updates the offer of UCA for Ukrainian and international partners in the following aspects:

1. Transition to strategic planning, a 3-5 years strategy is proposed for each direction (Fig. 2); accordingly, the proposed projects become part of its implementation.
2. With a strong focus on strengthening innovative ecosystems, here are the most ready-made projects for scaling.
3. The emergence of a whole set of project initiatives aimed at the development of SMEs in the field of Reskilling-Upskilling, but also the clusters themselves (Cluster development zone)

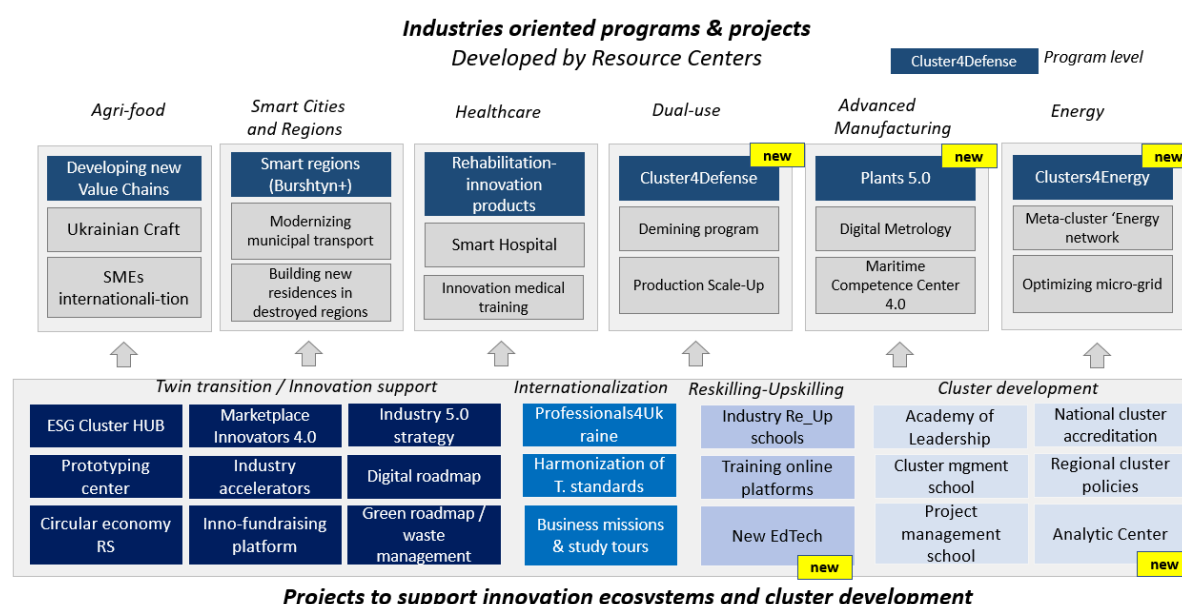


Fig. 2 Updated portfolio of UCA projects

Initiative [Clusters4Defense](#) became the first program document and a vivid example of the transition to strategic planning. At the same time, it highlighted clusters' weak ability to generate joint projects quickly, which was interesting for both Ukrainian and international stakeholders.

Thus, by the end of 2024, the UCA had a significant transformation of its collective resources:

- The vast majority of structural divisions, where leadership was delegated to clusters, have stopped working or are showing stagnation (the exception is the “Medical Clusters” RC, which has a strong leader)
- Real consolidation, planning, and development take place in the newly created UCA working Groups under the full control of the Executive Directorate of UCA . At the

end of the year, the Directorate had eight working groups in CoR 5.0 and 4 in the RC “Dual Use Technologies,” where the next changes took place in December.

Despite the failure of cluster consolidation in Resource Centers (RC), this experience is positive from a governance point of view. UCA is moving forward even more strategically (transition to program medium-term planning) and is on course for consolidation. Still, it is happening more gradually and in a different format (small working groups).

Summarizing the situation around the Resource Centers, this approach may be a prospect for the UCA in 3–5 years. However, a more effective interaction format is currently small workgroups, where strong industry or sector experts work together. Nevertheless, the apparent lesson of 2024 is the leadership and more centralized role of the Executive Directorate. Without this, many formats of cluster interaction would cease entirely, as the new strong trend appears, it is fragmentation, see more in ch.2.8.

2.3 Internationalization of Ukrainian Clusters

Internationalization remained the key direction of UCA activity, which is designed to ensure the entry of Ukrainian clusters to European markets and participation in international programs.



In 2024, UCA has taken significant steps to realize the key goals [of its Internationalization Plan](#), which is aimed at integrating clusters into European industrial ecosystems, strengthening their competitiveness, and supporting innovative solutions. Special attention was paid to incorporating Ukrainian clusters into EU value chains through participation in international programs such as Horizon Europe, Interreg Europe, and

EU-UA Cluster Partnership initiatives. In particular, 15 applications were submitted from Ukrainian clusters to participate in the EU-UA Cluster Partnership program, two of which received support for the implementation of projects in the fields of medicine and IT (the winners of the other 4 consortia are still unknown at the time of this report).



The second direction of work in this area—the development of partner channels and programs—is implemented through large-scale business missions to Norway, Poland, the Czech Republic, Brussels, and other countries. Within the framework of these missions, agreements were reached on implementing innovative solutions for the twin transition, attracting financing for Ukrainian SMEs, and cooperating with European technology clusters. Program

Professionals4Ukraine provided an effective coordination mechanism between Ukrainian and foreign partners, particularly through organising several joint events and signing memorandums of cooperation.

The third direction—integration into the EU innovation space—was achieved through participation in competitions to create European digital innovation hubs (eDIH). Twelve



consortia from Ukraine advanced to the final stage, consolidating the country's position in the European innovation network. Five of them have UCA clusters.

Implementation of the project Accelerate GDT within the framework of Interreg Europe, it became an important stage in the creation of tools to support the twin transition of Ukrainian SMEs (digitalization and green transformation). As well as the development of recommendations for Ukraine's cluster policy.

Cooperation with several partners looks like another positive trend in 2024. For example, the Club of Mayors offered UCA several times to join its business missions in the Netherlands, Japan, and the USA. UCA used it 1 time (USA), but in general, such a partnership looks very promising for 2025.

In general, 2024 was an important year for strengthening the internationalization of Ukrainian clusters and consolidating their positions in the European economic space.

Main achievements:

- Development of the network of Professionals4Ukraine ambassadors with an increased presence in the “old countries” of influence (extends from 2022-23) both in Poland, the Czech Republic, Romania, Germany and France, and in new countries (Denmark, Norway, Great Britain)
- Launch of a new format of events in Ukraine — Professionals4Ukraine clusters week
- Opening of the UCA office in Brno (Czech Republic).
- Launching a new format of interaction between Ukrainian and European clusters in large-scale programs that address common challenges (Clusters4Defense)
- The subjectivity of UCA and clusters in organizing trips abroad has grown: if in 2022 the clusters were completely dependent on donor funding, then in 2024, despite the still high dependence on external funding, most trips are planned and carried out **independently**.

Areas of growth in Internationalization relate to improving leadership from the UCA's structural divisions, providing resources for work areas in different countries, and better following up on business missions.

2.4 Provision of services to clusters and their members

Services were provided in 2024 in accordance with the schedule established in 2023 [service strategy of UCA](#) in the following categories.

Type of service	Number of covered clusters	Comments
A. Networking, communications, PR		
1. Joint events and activities in Ukraine (9)	>30	Conferences in Kyiv (5), Lviv (1), Poltava (1), Ivano-Frankivsk (1). Joint stands — Industry Forum (1).
2. Success stories of clusters	15	6 success stories within the framework of the Clusters FundRaise project, 2 within the framework of UCA-CapGrowth, as well as stories Lviv cluster of medical business , Rivne IMC , Kharkiv IT cluster , Ukrainian Association of Furniture Makers , U-food , UCA best practices , Professionals4Ukraine .
3. Informing about the activities of UCA clusters on social media	Facebook: 44.9K reach (+12.9%) LinkedIn: 9.6K reach (+26.7%)	Facebook: Reach improved by 12.9%, with content interactions reaching 10.8K (+51.3%). Total posts published during the year: 192. LinkedIn: Reach increased by 26.7%, with a 34.3% growth in new followers and a +78.4% rise in engagement.
B. Internationalization		
1. Foreign business missions (10)	12	APPAU, Kharkiv IT, Cluster CE, Zaporizhzhia IAM, Vinnytsia AIM, Rivne MMK, OICK, Cybersecurity, Photonics, UIC, DUT, U-Food
2. Involvement and assistance in the formation of international consortia	20	APPAU, Kharkiv IT, Cluster CE, Science Parks, Zaporizhzhia IAM, Vinnytsia AIM, Rivne IMC, OICK, Cybersecurity, Kyiv PROMEDMAN, UAM, Thermal Energy, Kyiv hi-tech, Photonics, UIC, DUT, U-Food, Poultry-combined feed, Lviv. Energy Instrumentation, Lviv Iron.
C. Formation of joint projects and portfolios by areas of activity		
1. Formation of unified communication tools	>20	1- Joint brochure “Development of Powerful Industrial Ecosystems” 2 — Leaflets on individual projects 3- the first catalogue of UCA clusters and their members . 4 — A series of promotional posters , which explain the advantages of clusters in UCA

2. Map of clusters	all available in Ukraine	the first map of clusters of Ukraine
3. Participation in the preparation of projects for financing (24)	>10	for details, see p. 2.4
D. Growth of cluster capabilities		
1. Trainings and coaching	12	within the framework of the UCA CapGrowth and EU4Digital project
2. Help with registration and first steps	6+	
3. Educational webinars on best practices	10+	within the framework of the UCA CapGrowth, Accelerate GDT, DT4SME, GDT Textile projects
E. Innovative development and twin transition		
1. Campaigns (1)	10+	conference and systematization of best practices "Science—Business"
2. Joint projects (2)	3	GDT Textile: APPAU, Podillya fashion cluster and circular economy cluster

Summarizing the results in this area of UCA activity, it is worth noting as achievements the growth of coverage of clusters by services and the quality of individual services as internationalization. Instead, the growth area for 2025 remains the management (business) model of service provision - it needs to be improved in many aspects.

2.5 Fundraising and Project management activities

Considering the constant underfunding of the Ukrainian Cluster Alliance and Executive Directorate clusters in 2022-23 and their high dependence on the first donor, the Executive Directorate's top priority in 2024 was the course on diversification of sources.

These goals were generally achieved—the number of sources increased from 5 to 8. The table shows the distribution by fundraising funnel.

Stage	Number	Comments
Submitted on their own or participated in consortia	22	The indicator is twice as high as in 2023
New, won in 2024	8	Accelerate GDT, DanubIA, <i>DT4SME (from KPI)</i> , <i>SME for the Zaporizhzhia region</i> , <i>GDT Textile</i> , ENLIGHTEN-EU, Clusters6Regions, EEN-UA
Transitional from 2023	4	UCA CapGrowth, ClusterInt, Export Alliance, Idealist
Lost	9	Horizon Europe projects, 2 EU-Ukraine clusters partnership, 1 EDIH
Waiting for a decision	5	The main ones are 3 Reskilling-Upskilling projects
Completed in 2024	6	DT4SME (with KPI), SMEs for the Zaporizhzhia region, GDT Textile, UCA CapGrowth, ClusterInt, Export Alliance

Thus, by 2025, UCA will have a portfolio of 5 projects with a total funding of over 400,000. Euro. These figures do not include targeted assistance from other programs, particularly financial aid from the Czech government for the organization of business missions. Compared to 2023, when the budget indicated in the annual report (together with external aid) amounted to 250,000 euros, **growth in 2024 is more than 100%**. The executive directorate also demonstrated to all clusters that the Project Office, with the right goals and organization, is an effective tool for solving financial sustainability problems.

At the same time, the contracted financing amounts do not mean "money in the account". In particular, in 2025, the Executive directorate of UCA should pay attention to the projects of the Interreg programs, of which there are currently 3 in the portfolio of the Alliance. Where the funding goes after the performance of individual works, reporting, and where, accordingly, the initial costs must be covered from own sources.

Except for the Export Alliance project, which was designed only for APPAU members, the beneficiaries of all other projects are UCA clusters and new clusters. For example, the new Clusters6Regions project supported by UCORD aimed to create cluster policies in 6 regions, where services will be provided to at least 18 clusters (3 per region).

A significant achievement in 2024 is the inclusion of clusters in the Horizon Europe innovation programs. From 2023 to the APPAU IDEALIST project, in 2024, a project to create an Innovative Medical Valley in the Rivne region was added. This large consortium (20 million euros) included the Rivne regional medical cluster.

2.6 Institutionalization of UCA – advocacy and lobbying of cluster policies

2024 marked the beginning of fundamental changes in relations with the central government and regional authorities regarding establishing cluster policies. UCA and the Ministry of Economy of Ukraine entered the **Interreg Europe Accelerate GDT** (Green & Digital Transition) project, which provides for integrating GDT principles into cluster policies. The latter does not yet exist in the country, so it was taken as a basis [for Strategy development SMEs until 2027](#).

One of the five goals of the Strategy is formulated as "*Innovative development, digital transformation and "green transition": using the approaches of smart specialization, creation of **industry clusters** and science parks, which will contribute to the attraction of investments and the development of regions*". Thus, the government positions clusters as one of the tools of innovative development and twin transition, identical to the goals and Strategy of the Ukrainian Cluster Alliance.

At the same time, it is worth noting the following:

- [1st version of the Strategy](#), as of January, did not mention clusters at all, as well as other types of business support organization, and this inclusion in the final version in August is the result of the proactive position of the UCA (letters and appeals to the Ministry of Economy in February 2024)
- In its current form, the Strategy outlines the roles of clusters but does not contain specific goals or directions for their development. The operational plan to support the Strategy, in turn, does not provide statements enabling the understanding what and to what extent the government plans to develop clusters. The measures presented are too general and do not contain specific indicators.

The Accelerate GDT project started with educating stakeholders about the state of best practices in EU countries. Held webinars and exchanges are recorded in publications about [Hungary, Catalonia, and Italy](#) cluster policies. They show how EU countries are changing policies and increasingly integrating cluster approaches into [national twin transition strategies](#). At the same time, specific decisions on creating cluster policies at the national

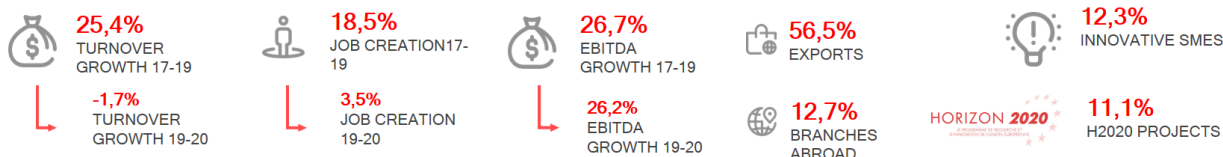


level were not made in 2024 and this remains a challenge for UCA for 2025.

Instead, a faster and more powerful movement occurs at the regional level. First, it is worth noting that the Lviv City Hall and OVA signed a memorandum of cooperation at the Professionals4Ukraine cluster week. This made it possible to create a permanent WG on the region's cluster policy systematization and start regular exchanges.

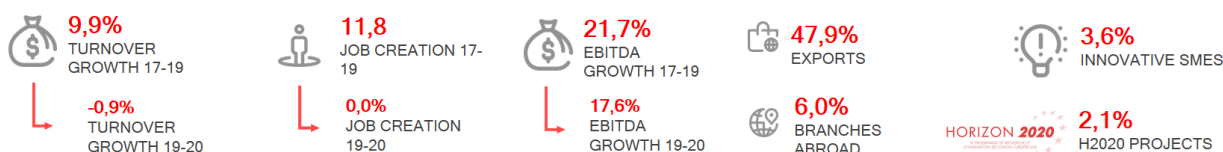
Cluster members

1.828 firms analysed



Non-members

13.734 firms analyzed



ACCIO Generalitat de Catalunya

Fem avui l'empresa del demà

Rice. 3 Slide from the ACCIO Catalan Cluster Program presentation on the growth results of SMEs that are included in clusters and those that are not included ([source](#)).

The second important achievement in 2024 is a **project to create 6 regional cluster policies with the support of UCORD**. UCA enters into a 2-year contract at the end of the year, it involves active cooperation with the Regional Development Agencies of Sumy, Vinnytsia, Volyn, Ternopil, Khmelnytskyi, and Odesa regions both in the creation of policies and the development of selected clusters. UCA assesses this project as a real breakthrough in developing regional cluster policies.



The third achievement in this area is the results of the GDT Textile project, in particular, the **industry roadmap of the twin transition** and the **method of self-diagnosis of ADMA enterprises**. Both tools are easily scalable to any industry sector and are directly relevant to implementing national dual transition strategies. It is important to note the key role of the experts of the UCA clusters in the creation of these tools (APPAU, Podillya Fashion Cluster and Circular Economy Cluster), which, together

with 2 EDIHs formed the 3T Alliance (Twin Transition in Textile).

2.7 Innovative development and twin transition

European clusters have long promoted the goals of innovative development and double (digital and green) transition of their SMEs as part of their strategies. These processes have been quite difficult for the third year in the UCA, and 2024 has not become a turning point. The main reason for the slow movement is the low capacity of young clusters.

[The overview of the EU4 Digital survey results](#) testifies to this quite convincingly and coincides with the analysis by the Executive team of the Ukrainian Cluster Alliance. The report cites survey results that indicate that **support for digital innovation of SMEs is in the last positions both in strategies and in the list of existing cluster services** Eastern Partnership (and where Ukraine dominates by a large margin). The management of UCA is well aware of this state of most clusters; exclusions such as APPAU or Kharkiv IT only confirm this general state. At the same time, for profound changes in this area, completely different amounts of support are needed than those received by the young clusters of UCA in the last 3 years, and in this, UCA and EU4Digital have unanimous positions.

Figure 33. Average prioritisation of strategic areas (per support needs) reported by CMOs in the Eastern partner countries (Georgia, Moldova, Ukraine), 2024

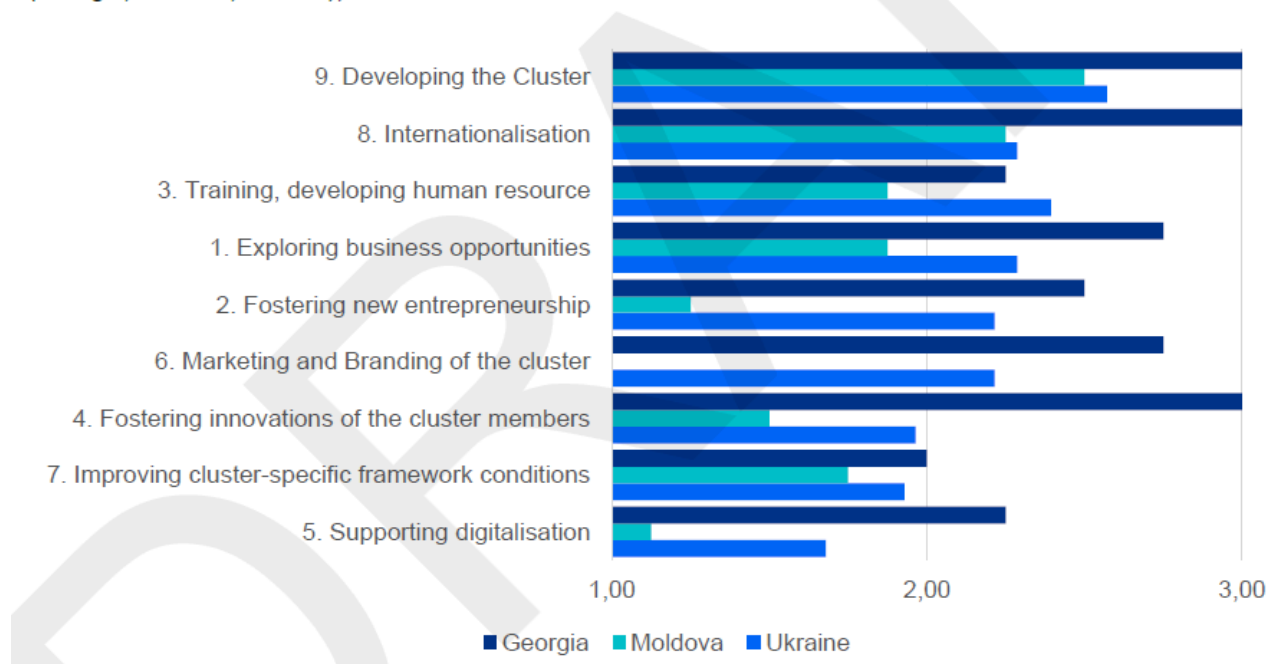


Fig. 4 Prioritization of strategic areas of clusters according to their needs ([source](#)).

Despite the statement of these deep issues, there are positive trends in 2024, and according to the results of the year, it is worth noting:

- Several new projects from European programs will significantly strengthen the capabilities of clusters in this area in 2025-26. Among them, it is worth noting:
 - 2 EDIH projects that have already received funding are Clotex Hub and Eastern European, which apply to the Podillya fashion and Kharkiv IT clusters.
 - The already mentioned 2 Horizon Europe projects (APPAU in deployment and the new Rivne medical cluster)

- Accelerate GDT will continue to promote the best practices of the twin transition.
- The Danubia project will consider the possibilities of using AI to strengthen clusters.
- [The roadmap](#) produced at GDT Textile offers many opportunities to implement individual initiatives in the Textile industry (three clusters), and the Ukrainian Cluster Alliance plans to expand it in 2025 to include agri-food and machine building.
- The Maritime cluster of Ukraine has achieved considerable success in lobbying and promoting the **Blue economy**—now, it is the No. 1 strategy of the entire Mykolaiv region. This is a good example for other clusters in promoting cluster topics and smart specialization at the regional level.



- The Lviv Iron cluster is the only one among the Dual-Use / Miltech clusters of the UCA that has achieved recognition and success in developing innovations in this area. This includes by attracting new grants and vouchers of the region for its SMEs.

- The Kyiv hi-tech cluster, together with the Vinnytsia AIM, created an innovative strategy for developing the defence industry at the regional level, which is

planned to scale to other regions.

- [Zaporizhzhia IAM cluster](#) launched the “Business Coffee” project, won ZP EDIH recognition in the network of European innovation hubs with the Seal of Excellence, and founded LLC “Science Park of Zaporizhzhia Polytechnic University.”
- Numerous exchanges with European partners within the framework of Professionals4Ukraine strengthened relations and laid the foundation for further cooperation in 2025—this primarily concerns innovative development and twin transition.

In summary, we can note the gradual progress made in this area by the entire UCA community. At the same time, we must be attentive to EU4Digital's conclusions and recommendations. The transition of clusters to leading roles in innovation development and the twin transition of SMEs require much more effort and attention from all stakeholders, including much larger investments in cluster development.

2.8 Strategic partnerships

The identification of strategic partners and the direction of work with them, as a separate one — with the appropriate human and financial resources, clearly appears for the first time in the works of the Ukrainian Cluster Alliance. This was in the fall of 2023. In particular, in the Internationalization strategy, a separate [section, "Partner programs"](#), provides an analysis of the current state and offers separate directions for the development of relations with several partners, including state structures such as the Ministry of Foreign Affairs ("Nazovni" platform) and other Ministries, EEPO, CCI, etc.

2024 confirmed the following

- On the one hand, the right direction of this approach as **strategic** — the need for planning, focus on developing relations and allocating appropriate resources.
- On the other hand, it highlighted the lack of these qualified resources, that is, managers capable of independently managing relations with strategic partners and coordinating this activity among a wide range of interested parties in the UCA.



*Photo from the last conference 2024 on the GDT Textile project. The project became indicative for understanding the importance of **consolidating national associations, clusters and EDIHs**.*

De facto, managing strategic relationship, UCA has a huge dependence on the time and focus of attention of 1-3 key people, and this is absolutely not enough for several dozen partners that we consider strategic. The latter include foreign stakeholders (firstly, the European Commission and organizations representing Professionals4Ukraine network ambassadors), international organizations - donors, and Ukrainian — various government organizations, regional authorities and communities, and numerous powerful business associations. **We are talking about dozens of organizations, cooperation with which is necessary and would be very useful for the UCA clusters.** However, attempts in 2023-24

to split the roles and functions of relationship management among Resource Centers, the Board, individual clusters, or managers failed. The weakness of all structural divisions, and most of all, the RC of the UCA, was particularly evident in 2024, precisely in managing relations with strategic partners. For example, despite numerous “touches” and periodic meetings with representatives of the Ministry of Education, the Ministry of Digital and Industry, and the Ministry of Industry and Trade, we have not been able to establish any regular cooperation formats with them in the “Dual Use Technologies” RC.

Management of relations with strategic partners becomes truly critical in the context of significantly intensified **fragmentation processes** - this trend is gaining special scale in 2024.

The management of Ukrainian Cluster Alliance repeatedly raised issues growing and all-encompassing **fragmentation in all cluster-related areas, as innovation, internationalization, twin transition, SME support etc.**

In the context of missing State policies and strategies that would consolidate stakeholders and uncoordinated donor policy, the clusters themselves often behave situationally and transactionally, guided solely by their interests but not by common interests or policies already developed in the UCA. A vivid example of similar behaviour and lack of coordination was the appearance of 2 Ukrainian delegations of clusters at the European Cluster Conference in Brussels in May 2024. One of them was in an almost open confrontation with the UCA but received the support of a well-known donor.

Thus, the situation with strategic partnerships at the end of 2024 is immensely illuminating **the crisis of the governance in UCA:**

- On the one hand, clusters are aware of the need and advantages of broad partnerships, intercluster interaction, and integration into European networks, and the latter even wants to expand them.
- On the other hand, due to a lack of qualified resources and the failure of most Resource Centers to function, the UCA Executive Directorate is beginning to limit new partnerships consciously.

The analysis highlights that the existing structure and resources of UCA do not meet the stated development goals.

3. Evaluation of the effectiveness of initiatives and projects of the Ukrainian Cluster Alliance

As in previous years, the Executive team of the Ukrainian Cluster Alliance traditionally analyzes the project initiatives that unfolded during the year according to the effectiveness criteria: Excellence (added values of the project deliverables), Impact, and Scalability. In 2024, 17 initiatives appear in this analysis, 12 of which received full or partial external funding, and the rest were implemented using internal resources.

According to this analysis, the top 5 project initiatives include:

1. **Preparation of common projects + management of the entire portfolio of UCA projects.** In general, the Executive team of UCA participated or was directly a developer in 22 projects, 8 of which became winners, and 6 are the basis of financial stability by 2025.
2. **Creating the first Industry Roadmap of twin transition** for the Textile industry in Ukraine (GDT Textile project) is a blueprint—the Policy Instrument for rapidly scaling similar initiatives to other industries. The project became a record in the UCA in terms of generating valuable deliverables quickly, consolidating the UCA's leadership in the twin transition of SMEs.
3. **Organization of unified communication tools for clusters of the Ukrainian Cluster Alliance**—in general, a new brochure “Development of strong industrial ecosystems,” leaflets on nine separate projects, catalogs of clusters (together with SMEs), a series of promotional posters, a map of clusters, and individual success stories were created. The UCA financed the work on instruments from its budget.
4. **Impact on existing State policies**, particularly the SME Development Strategy until 2027. Thanks to the proactive position of the Cluster Policy Committee and the Ukraine executive team, changes were possible to the first version of this strategy, which did not mention clusters (as a tool for economic development and support of SMEs).
5. **Bringing UCA quality standards to ESCA standards.** The EU4Digital program's inclusion of 29 UCA clusters in its self-diagnostics, subsequent certification of 3 clusters, and detailed program report on capabilities are significant steps forward in establishing uniform cluster management quality standards in Ukraine. This initiative's high results were also due to good teamwork between the UCA management and the EU4Digital program, where most of the work was carried out.

Comparison with similar indicators in 2023 confirms that UCA's strengths are project focus, fundraising, internationalization, policymaking in areas related to the cluster theme, and, to a lesser extent, innovation support.

Instead, the question of (low) efficiency arises regardless of the choice of specialization and concerns the provision of projects (of any kind) **with proper Leadership**. We did not get the expected results in several projects directly financed by our structures. In particular, it concerns the more significant results of numerous business missions, the lack of progress in creating fundraising sharing services at the level of three regions, the reform of the activities of the structural units of the UCA, and cluster training.

Regarding the latter, the experience of 2024 finally dispelled doubts not only about the low capacity of most young clusters (and therefore the need for their training) and the fact that significant donor funds were spent in previous years **on the wrong training programs**. UCA analytics shows that the deep problems of UCA clusters lie in the lack of Leadership, engagement of strong experts and willingness to cooperate.

Accordingly, the priorities for 2025 are **the launch of schools of Leadership, cluster and project management, focused on clusters in the early maturity phase**. Each of these schools should contain particular learning and coaching elements specific to the clusters and different from those offered in the training programs from EU4Business in 2020 and in 2023-24. Therefore, it is not surprising that these programs did not significantly impact the development of cluster coordinators' capabilities.

The need for a complete revision of approaches to training cluster coordinators and, in general, views on cluster management as a separate discipline and profession. The attitude in which all stakeholders must be more responsible became even more evident after the EU4Digital report in December 2024.

In general, the analysis of the effectiveness of project initiatives confirms the “formula of success” derived from the UCA (still in 2022):

Successful project initiative = Capabilities (experience, expertise, skills) x Funding x Resources x Teamwork.

In 2024, these indicators revealed more clearly **aspects of Project Leadership**: We have examples of projects where this leadership was sorely lacking, and (even with the availability of funding) we practically did not get any significant and sustainable results. Instead, individual small project initiatives were successful, even without external funding, precisely because objective professionals and leadership were included.

In other words, the main lesson of 2024 in the context of efficiency is that.

Leadership, Professionalism, and Teamwork are more important factors in creating Value than funding.

Funding is instead a consequence of the factors mentioned above and an enabler. However, it does not have the proper effect by itself and without including other factors.

Therefore, the course for creation of high-value outcomes for clusters and their members will remain a priority of the UCA in 2025.

4. Conclusions based on the results of work 2024.

The year 2024 became the third year of dynamic growth for UCA, the main cluster association and the entire cluster movement in the country.

We saw several positive trends and progress of UCA in the directions of institutionalization, diversification of funding sources; continuation of active internationalization with growing subjectivity; entry into the leaders of regional innovation ecosystems (with EDIHs), significant growth in the popularity of clusters and cluster development in the regions of the country; continuation of the course on the professionalization of structural divisions of the UCA; emergence of a new portfolio of programs and projects.

However, 2024 clearly showed areas of growth and certain negative trends, such as growing problems with the “Resource Centers” format, manifestations of internal competition, lack of professionalism and leadership in project management, low numbers and quality of joint projects and growing fragmentation trends.

In general, all above leads to **the complete review of the governance structure of the UCA** and what is characteristic of the next stage of the organization's evolution. According to many signs, UCA is moving from the stage of “youth” to the stage of “maturity” (according to Adizes's model), where similar crisis phenomena are typical and require significant improvement of the management model. Attempts to develop it in 2023-24 should be considered incomplete and partially successful. Despite the large number of adopted Statements (internal rules on cooperations, see Appendix 1), constant attempts to launch new formats or structural divisions, and overall growth in almost all indicators. From the point of view of optimizing resources, balancing stakeholders' interests, quality, and efficiency of project works, It is obvious that this structure does not meet the set growth goals.

However, as in previous years, there are many prerequisites to succeed. They are flexibility, and the ability to quickly adapt, strong support of key clusters and the Board, experienced and strong management team, accumulated experience and trust in relations, and the significantly improved financial situation of a number of clusters. All that creates a stable foundation for future growth.

5. Main strategic directions for 2025

Due to geopolitical and military factors, 2025 will be a challenging year for Ukraine and, therefore, for all business support organizations, including UCA. At the same time, it will open up new opportunities for strengthening cluster leadership and integrating into global economic processes.

Strategically, the work areas for 2025 remain the same five types of activities as in previous years. It is about

1. Clusters Internationalization
2. Development of clusters capacities

3. Fundraising in joint project activities
4. Institutionalization and creation of National and regional cluster policies
5. Development of innovations and twin transition of SMEs.

At the same time, the structure of the UCA and the service model should be better adapted to the clear and SMART objectives in these areas. Two main criteria for this adaptation are the balance of stakeholders' interests and resource compliance.

In other words, all stakeholders—clusters and Structural divisions (including the Executive team and the Board)—must jointly find an answer to the question of the received benefits and advantages, as well as the costs and resources for obtaining them.

Structural changes proposed to the General Meeting in January 2025 relate to 4 action areas.

1. Final **separation of teams and activities of the UCA and APPAU** in the second half of 2025
2. Installing a more **optimal structure**, which will take into account mistakes and growth areas of the past period, in particular
 - a. Rejection of any structural subdivisions that are not provided with adequate human and financial resources (except for temporary working groups)
 - b. mandatory introduction of financial KPI in the goals and plans of the WG of the Ukrainian Cluster Alliance and other structural divisions intended for the unification of clusters
 - c. establishment of precise areas of responsibility and mutual obligations between the Executive team and other joint ventures, including the Board
3. Implement provisions that would more clearly position the UCA for clusters as a **platform for interaction and a tool for joint growth**, not as a tool of its own, separate growth—and simply one of the others existing on the market.
4. **Better segmentation of UCA participants and their more selective support**, in particular
 - a. introduction of the status of “strategic partners” about strong organizations (including from among associated members, not clusters)
 - b. A separate category of “innovation partners”: those who have the goals and agenda of innovation and twin transition on their agenda

It is proposed among the key areas of development and goals for 2025.

1. **Institutionalization of UCA and creation of cluster policies.** The Accelerate GDT and UCORD projects should result in two national and six regional policies in 2025; the projects themselves have already determined these goals.
2. **Internationalization.** In this area, UCA will continue such activities as
 - a. foreign business missions
 - b. creation of international consortia
 - c. development of the Professionals4Ukraine network

At the same time, apparent changes in this area include providing these activities, as the most expensive, with appropriate resources, the growth of requirements for their results, and the selective selection of beneficiaries.

3. Capacity building of clusters and their members. In this area, it is provided

- a. Development of cluster coordinators and leaders of UCA through the launch of own Leadership and Cluster Management schools.
 - b. Launch of at least three joint inter-cluster projects focused on Reskilling-Upskilling of SMEs, with the general goal of establishing one's own (cluster) agenda in this activity area.
- 2. **Fundraising in joint project activities**
 - a. Allocation of the UCA as a fully autonomous unit with the appropriate resources.
 - b. Continuation of growth in the volume of UCA projects with the search for better opportunities by priorities
 - i. from short-term projects to long-term programs
 - ii. Focus on large projects involving more clusters.
- 3. **Development of innovations and twin transition of SMEs**
 - a. Scaling of twin transition road maps
 - b. Deepening of cluster cooperation in coalitions for the implementation of road map initiatives (following the example of the 3T Alliance)
 - c. Deepening of cooperation within EDIHs.

Appendix 1. List of current Statements and main publications

1. Membership Statements

- a. [the minutes of the General Meeting of March 20, 2023](#) - introduce 2 categories of membership, valid and associated
- b. [minutes of the General Meeting of July 24, 2024](#) - adjust the requirements for valid membership

2. Statements on individual structural subdivisions of the UCA and their interaction

- a. [Regulations on Resource Centers of the Ukrainian Cluster Alliance](#)
- b. [Regulations on Committees of the Ukrainian Cluster Alliance](#)
- c. [Regulations on the Professional4Ukraine Coordination Center](#)
- d. [Regulations on the Project Office of the Ukrainian Cluster Alliance](#)
- e. Methodological recommendations "[How to start the Resource Center](#)"

3. Statements for actual members of the UCA

- a. [Code of ethics](#)
- b. [Valid membership criteria](#)

4. Strategies and policies for specific activities

- a. [Service strategy and model of UCA](#)
- b. [Internationalization strategy](#)
- c. [Fundraising service model](#)

5. Means of communication

- a. Joint brochure "[Development of Powerful Industrial Ecosystems](#)"
- b. Leaflets for the region projects
- c. The [first catalog of UCA clusters and their members](#).
- d. [A series of promotional posters](#) to explain the advantages of clusters in UCA\
- e. Interactive map of clusters of Ukraine

6. Important reports and publications of a methodological nature

- a. [Reaction to challenges is a sign of professionalism](#) and the path to the consolidation of the UCA community (establishes the principles of qualitative analytics, assertiveness, flexibility and focus on values (deliverables) as fundamental).
- b. [25 best practices in cooperation between science and business](#) (dispels the myth of large gaps between science and business, demonstrating a number of successful practices within the UCA)
- c. [5 main challenges of UCA in 2024 and how to respond to them](#) (we are talking about a low level of clustering of the economy, weak growth rates of clusters, institutionalization, lack of "rules of the game" and fragmentation).
- d. [New efficiency standards - the first changes in the Structural Divisions of the Ukrainian Military Academy](#) (analysis of how a small group of real experts (de facto three people) perform large volumes of work with high quality)
- e. [Capabilities of clusters and structural subdivisions are the No. 1 growth area of UCA](#) (uses the RACE methodology and shows that the deep problems of clusters lie in the lack of leadership, real experts and willingness to cooperate)
- f. [Criteria for choosing the best joint projects for promotion at the level of the Ukrainian Cluster Alliance](#) (presented 5 Professionalism of the project team; Correspondence to the key market needs and challenges of our critical industries; "Authenticity" of member BOs (there is support for their SMEs); Attractiveness for foreign partners and Level of support within the UCA).
- g. [EU4Digital's view of clusters](#) - combines EU project analytics with UCA's own experience in 7 directions (tracks) and provides a proposal for 2025.

Appendix 2. Preliminary schedule of major events for 2025

	Event	Description	Date
1	UCA cluster conference	Annual cluster conference — 2024 results, 2025 prospects	January 16
2	Conference Clusters4Defense	1st conference of UCA clusters in the category “Dual-purpose technologies”	January 23
3	Visiting Hannover Messe	UCA delegation at Hannover Messe — the largest exhibition of high technologies in industry	March 28-31
4	Czech-Ukrainian Dual-Use forum	Czech-Ukrainian forum on dual-purpose technologies in Prague	April 4
5	EU Defense Hackathon	Hackathon for T2P clusters	May 9-11
6	Industrial forum	a joint platform of hi-tech clusters and their participants - Digital Factory	May 28-30
7	Participation in EU Industry days	Annual European Conference of Industrial Development Stakeholders, Rzeszów, Poland	June 5-6
8	Business mission to Oslo	2nd business mission of UCA clusters to Norway	June 11
9	Smart Industry forum in Brno	Participation in the MSV exhibition and the Czech-Ukrainian forum in Brno	October