



EUROPEAN CLUSTER  
COLLABORATION PLATFORM

# Ukraine: Business challenges, opportunities, and the EU Single Market

## Summary

EU Clusters Talks  
8 June 2022, 8:30 – 10:30 CEST

An initiative of the European Union





## EU Clusters Talk “Ukraine: Business challenges, opportunities, and the EU Single Market”

The European Cluster Collaboration Platform organised this EU Clusters Talk on 8 June 2022, 8:30 – 10:30 CEST, to speak about the actions from the European Commission to integrate Ukrainian business into the EU Single Market, hear about the capacities of Ukrainian industry from Ukrainian representatives themselves, and look at hand-on activities from social clusters and entrepreneurs on helping Ukrainian refugees to access the EU labour market.

### Agenda of the meeting

Moderation: Chris Burns

1. News from the European Cluster Collaboration Platform
2. “From Our Own Correspondent”: Collaboration UA-EU
3. Perspectives and latest updates from the European Commission  
*Maive Rute, Deputy Director General and head of the Task Force for Supply Chains at DG GROW, European Commission*
4. Perspectives from Ukraine  
*Oleskandr Vasylchuk, Deputy Head of the Entrepreneurship Development Support Division, Ministry of Economy of Ukraine*  
*Taras Holub, Advisor to Vice Prime Minister for European and Euro-Atlantic Integration – Cabinet of Ministers of Ukraine*
5. Impact of the war in Ukraine on economy and business  
*Witold Radwanski, Deputy Chairman of Policy Council, Polish Civic Congress*
6. Ukrainian capacities and potential business opportunities  
*Alexandre Yurchak, Head of Ukrainian Cluster Alliance*  
*Olga Trofymova, Director of Export - Internationalization programs, Ukrainian Cluster Alliance*
7. Activities of the EEN Ukraine  
*Olena Fesenko, Coordinator of the Enterprise Europe Network-Ukraine Consortium*
8. Impact of the war on Ukrainian social enterprises  
*Marta Gladka, Project Coordinator, Urban Space 100*  
*Petro Darmoris, Member of the Board, Ukrainian Social Academy*
9. Funding opportunities

## 1. News from the European Cluster Collaboration Platform

### Nina Hoppmann, team member of the European Cluster Collaboration Platform

After the introduction by moderator Chris Burns, the following news items were presented:

1. Invitation to fill in the survey [“A Solution-Oriented Approach to Supply Chain Disruptions”](#)
2. Invitation to participate in the [Cluster Collaboration Lab in Cluj-Napoca, 22-23 June](#)
3. The European Commission presents plans for the Union's immediate response to address [Ukraine's financing gap](#) and the longer-term reconstruction.
4. Practical information on different [EU measures to support Ukraine](#)
5. Invitation to participate in the workshop series [Get Digital](#) offered by the European Commission alongside the European Innovation Council and SMEs Executive Agency (EISMEA) and DIGITAL SME



## 2. “From Our Own Correspondent”: Collaboration between UA-EU

The video showed a statement from Alexandre Yurchak, Ukrainian Cluster Alliance, who spoke about the economic challenges in Ukraine, for example the risk of unemployment. In terms of solutions, the Ukrainian Cluster Alliance is working on internalisation. They started collaborating with the European Clusters Alliance, and work on direct connections for its clusters through B2B and C2C meetings.

A first result is an agreement with EURATEX, the European textile association. They also have an agreement in the Control System Integrations Association from the U.S., and they signed an agreement with the French Cluster of Industry 4.0., CIMAS. Furthermore, there are success stories such as the agreement of Podillia fashion cluster with Polish and Germany partners. All the stories have a similar roadmap. They start discussions with the cluster or organisation, they sign a memorandum of understanding (MOU) and then they establish the concrete project.

Therefore, Alexandre Yurchak emphasised the need to integrate Ukrainian companies into the European supply chain and value chain. He invited the European clusters to collaborate with the Ukrainian counterparts.

## 3. Perspectives from the European Commission

### Maive Rute, Deputy Director General and head of the Task Force for Supply Chains at DG GROW, European Commission

In her speech, Maive Rute addressed important ties between the European Union and Ukraine. Firstly, in a historic step, Ukraine has applied to become a European Member State. The European Commission is in the process of reviewing the substantial material that Ukraine has submitted. June will be a critical month, when the European Council will look into it and a decision will be taken.

Another issue that Maive Rute addressed were the facilities and the interactions between Europe and Ukraine. The sixth sanctions package has been adopted recently; it is starting to show an effect, reducing the money flow to Russia.

From DG GROW's side, she mentioned they are in a regular dialogue with the Ukrainian side in terms of what can they do to facilitate access to the European single market. They are working on building up the systems that are necessary to ensure the movement of goods and people, for example accreditations and certifications.

The next topic that Maive Rute introduced was the war refugees. Statistics show that more people return that leave Ukraine. This is a hopeful sign that Ukraine will return to normal business activity.

Maive Rute highlighted that they are working on an interesting program for young entrepreneurs. The program is called Erasmus for young entrepreneurs and allows new entrepreneurs to take several months of traineeship with another entrepreneur from the same field. The programme is financially supported by the European Union. She also emphasised that they believe in cluster collaboration. In addition, the European Union put forward a very useful platform for [industrial alliances](#) in different ecosystem such as European Raw Materials Alliance or European Battery Alliance .

Furthermore, there is an initiative called “Solidarity Lanes”, which evolved due to the blockade of ports. Ukraine is interested in getting many of the export goods out of the country. They are developing these solidarity lanes which will help sending the goods via railways.



In terms of trade numbers, she explained that the exports are lower than they were before the war, and they are interested in seeing these numbers go up again and restore the supplies. Ending her statement, Maive Rute underlined the interest in building stronger economic ties together.

## 4. Perspectives from Ukraine

**Oleskandr Vasylichuk, Deputy Head of the Entrepreneurship Development Support Division, Ministry of Economy of Ukraine**

Oleskandr Vasylichuk explained that Ukraine has been part of the COSME program since 2017. The aim of the COSME program is to enhance competitiveness and internationalisation of SMEs. The membership status enabled Ukrainian SMEs to access non-financial instruments such as the Enterprise Europe Network, ERASMUS for young entrepreneurs, or the European Cluster Collaboration Platform. In terms of results, COSME is an effective tool to stimulate innovative products. In terms of labor force, over 80% of the new contracts in the businesses were obtained via COSME.

As Oleskandr Vasylichuk explained, the COSME programme stimulates new technologies in Ukraine and the internationalisation of Ukrainian businesses. It also has a positive impact on the environment. Therefore, Ukraine is grateful to have participated in the programme period 2014-2021, where Ukrainian enterprises received significant assistance in terms of development their capabilities. Now, Ukraine took note of the possibility to participate in the Single Market Programme for 2021-2027. This opportunity is one of the tools to support the competitiveness of businesses and to provides opportunities for SMEs and creating a favorable business environment. Therefore, Oleskandr Vasylichuk underlined that Ukraine would like to express its interest in becoming a partner of the Single Market Programme.

**Taras Holub, Advisor to Vice Prime Minister for European and Euro-Atlantic Integration – Cabinet of Ministers of Ukraine**

Starting his presentation, Taras Holub thanked for all the help from the European Union that was received so far. He explained that they expect more practical support from European institutions, for example, to exchange open data of customers to understand the structure of exports. The second idea is related with the opportunities to open the client data of the European companies for the Ukrainian corporations to exchanges this data and have information about the certain orders and needs of companies from the European Union.

Taras Holub also explained that they met with the Ministry of Transport of Slovak Republic to discuss the support to Ukrainian export operations not only in the short term but in the mid and long term.

## 5. Impact of the war in Ukraine on economy and business

**Witold Radwanski, Deputy Chairman of Policy Council, Polish Civic Congress**

Witold Radwanski presented the Polish Civil Congress and NGO dedicated to the development of the civic society in Poland. As a result of several conferences, reviews and analyses regarding the impact of the war, they have developed an overview of the consequences of Russia's war on Ukraine. It illustrates the principal issues such as raw materials, supply chain disruptions, energy supply disruptions, production disruptions or sanctions and embargoes.

As Witold Radwanski explained, the recovery will have implications on the structure of the Ukrainian economy and on its relationships with other countries. He gave some examples from history where, even in very difficult environments, frontline economies were very successful through



macroeconomic, financial, and fiscal policies, healthy public finances, and an independent central bank.

He described the principal implications of the supply chain disruptions and the context in which the world economy will develop in the next five years, for example inflation and the possible stagflation. Witold Radwanski highlighted that the capital markets and bank sectors are facing hard times. In terms of the food supply disruptions, he explained that they will increase the threat of hunger in certain regions which in turn will have implications on migration to Europe. Overall, we will face a gradual structural change in the global economy, starting with global trade and with issues like security, energy, food, climate etc.

With regards to a question on manufacturing activities in Central and Eastern Europe, he answered that there is some evidence of offshoring where Ukrainian companies are thinking on moving their operations into Poland.

## 6. Ukrainian capacities and potential business opportunities

### Alexandre Yurchak, Head of Ukrainian Cluster Alliance

Alexandre Yurchak introduced the Ukrainian Cluster Alliance (UCA), which is formed by 35 clusters in Ukraine. Its four objectives are digital transformation, innovation, sustainability and clusterisation. Their organisation formalised with the war. The Eastern region of Ukraine, which is now occupied, is an industrial region where a lot of their clusters and industrial activity are based. The forecast of the GDP growth is of -40%. 50% of the SMEs stopped their work; more than 30% of workers were relocated. Ten clusters of UCA migrated from Eastern and South regions to the Central and Western Ukraine.

Alexandre Yurchak underlined the main challenges of industrial SMEs in Ukraine. Firstly, there are problems with the orders. The domestic market is shrinking by at least 50%. They consider a strategy on how to better integrate the national production into global value chain and into any other international projects. The second challenge is about new ways of making logistics more flexible. The third challenge is in production, more specifically in finding financial support, equipment and look for new business models. The fourth challenge is related to the staff. There is a need to re-allocate staff, find new jobs and skill the personnel.

The first reaction to respond to these challenges is to be united. The clusters in Ukraine were fragmented by industry, by category and by region and now they created a common issue to started to be united. It is formed by 1800 companies from all regions in Ukraine. In March, they received a proposal to create a marketplace under the European Cluster Collaboration Platform and they started to act together.

The second response is about mobilisation. They understand the needs of the industry and react by mobilising their resources. The third response is related to managing initiatives as project portfolio, driving the projects into international. They are managing projects in production, in staff reallocation and they have several fundraisings.

### Olga Trofymova, Director of Export - Internationalization programs, Ukrainian Cluster Alliance

Olga Trofymova highlighted the Ukrainian capacities and potential business opportunities such as the collaboration with the European Cluster Collaboration Platform and clusters, the collaboration with international associations, international conferences and B2B meetings. They place needs of Ukrainian companies at the [EU Clusters Support Ukraine Forum](#) and also the offers and the logistics issues. The aim is that the Ukrainian companies work and survive. She invites the participants to make use of the forum. She also emphasized the usefulness of C2C meetings, which helped to build



international relations in different ecosystems, for example, textile sector, machinery sector, furniture, or agri-food.

She presented a success story of cooperation between textile cluster from Ukraine with Polish and German partners. They are working hard to achieve more international collaborations with their clusters. Olga Trofymova explained that they are participating in B2B platforms and fairs, for instance the [Supply Chain Resilience Platform](#) or the trade fare [MeblePolska](#) in Poland.

To end her statement, she highlighted that there are opportunities to solve some of the challenges in Europe such as digitalisation, efficiency competition or lack of experts with the help of Ukrainian companies. Ukraine has a developed network of international R&D centres, production costs might be cheaper, and they have highly skilled experts.

To conclude, the speakers emphasized that the impact of the war is global. Therefore, the messages that they wanted to send is to be solidary, to include Ukrainian clusters and SMEs in Europe's value and supply chains and programmes, and to cooperate wherever is possible.

## 7. Activities of the EEN Ukraine

### Olena Fesenko, Coordinator of the Enterprise Europe Network-Ukraine Consortium

Olena Fesenko introduced the Enterprise Europe Network Ukraine Consortium. The Enterprise Europe Network is the largest support network for SMEs with international ambition. It is formed by 3000 experts across 600 members and is organised in more than 65 countries. The Ukrainian Consortium is one of the youngest consortia of the network. The main goals of the Consortium are the stimulation of international trade between Ukraine and Europe, support innovative activity of Ukrainian companies and provide information and practical advice on international cooperation. They organize more than 100 events per year and more that 2000 face-to-face meetings.

Olena Fesenko underlined that since the outbreak of the war, the EEN-Ukraine Consortium has been facing big challenges such as the process of signing the Single Market Programme. She shared information about the help that could be provided to the Ukrainian business. The Enterprise Europe Network can assist Ukrainian businesses with creating a profile about their products or services in the EEN-Ukraine network database. They can help promote Ukrainian companies and their products on the European market.

The EEN-Ukraine offers a range of services for growth-oriented SMEs in terms of innovation, internationalisation, and advisory support. The Network's experts provide practical advice on doing business in another country, identify the best market opportunities for their business, and provide information on EU laws and standards.

They are currently running a promotion campaign with several event to “cooperate with Ukraine”, including “[Cooperate with Ukraine: medical sector and pharma industry](#)” and “[Cooperate with Ukraine: The Supply chain resilience matchmaking event for Ukrainian and European SMEs](#)”.

To end her statement, she underlined the significance of the forum [EU Clusters support for Ukraine](#) for needs, offers and logistics.



## 8. Impact of the war on Ukrainian social enterprises

### Marta Gladka, Project Coordinator, Urban Space 100

Marta Gladka presented Urban Space 100 as a social enterprise in the form of a restaurant and multi-functional space. It was opened in Western Ukraine in 2014. 80% of net profit goes to social projects. 100 co-founders donated 1000 dollars to open the restaurant. Urban Space is a place to meet people, buy crafts from local stores and organize events. Moreover, they have an open online radio that is doing podcast about the war and the Ukrainian businesses.

Related to the current situation, they host many internally displaced people, and they try to support them psychologically and with information. They have donated money to the medical support of the Ukrainian army. Marta Gladka explained that they experience food shortages for products coming from abroad or from temporarily occupied regions of Ukraine. Despite of these challenges, they continue supporting social enterprises in Ukraine.

### Petro Darmoris, Member of the Board, Ukrainian Social Academy

Petro Darmoris explained that the Ukrainian Social Academy is an organisation that brings ideas of social change to the sustainably growing business since 2015. They work directly with social enterprises, NGOs, municipalities, and stakeholders in order to development social economy ecosystem in Ukraine. During the last year, they have worked on the implementation of the EU Social Economy Action Plan. The aim is to integrate the Ukrainian social economy in Europe.

Petro Darmoris highlighted that social economy plays a crucial role in the social and economic development of the country. However, the currently situation is difficult; more than 8 million people are displaced, and there are 5 million refugees. The key social issues are the increase of the rate of unemployment and the lack of income for internally displaced persons. Therefore, Ukrainian social enterprises need to get access to financing and professional consultancy for the reconstruction of the business models, business strategy, marketing, and sales.

In addition, the Ukrainian Social Academy organises free information sessions and webinars to train social entrepreneurs. They managed to raise financial support and invest these resources to purchase equipment for social entrepreneurs in order to create new jobs, especially for internally displaced persons.

He explained that the green social academy is now an official member of the Social Economy Europe Network and thanks to this network, they have already established a partnership with organisations in Europe.

He underlined that these efforts contribute to solving the crucial issues of unemployment and the lack of social services. The development of social entrepreneurship has direct impacts on the economic development and reconstruction.

## 9. Funding opportunities to strengthen resilience

### Nina Hoppmann, Team member of the European Cluster Collaboration Platform

Closing the EU Clusters Talk, Nina Hoppmann presented the following funding opportunities from the European Commission:

1. [Innovation Fund Small Scale Projects](#). Deadline: 31 August 2022
2. [EIT Cross-KIC Regional Innovation](#). Deadline: 28 September 2022
3. [Expanding Investments Ecosystems](#). Deadline: 4 October 2022
4. [Guide on EU funding for tourism](#).