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**CLUSTERS AND FIRST SMART-SPECIALIZATION STRATEGIES
FOR UKRAINIAN REGIONS: DESIGNING TRANSFORMATIONAL CHANGES**

A comprehensive investigation of strategic regional specialization with industrial transformation, specifically – in clusters, allows researchers and administrators to better understand the conventional and new chains of creating value and their associated local industries and economic sectors.

This statement of the question of enhancing regional competitiveness can provide a timely and adequate support for production and human potential of the regions in order to strengthen businesses and create new jobs.

The paper objective is a critical conceptualization of the initial conditions for the regulated changes in regional economic policy through spreading clusters and developing the first smart specialization strategies in the Ukrainian regions.

The paper presents the author's generalizing view of using cluster initiatives (mostly unformed and poorly singled out in Ukraine) as reference points for the growing Ukrainian regions which are facing the need to define their 'smart-priorities' till 2027. The implementation challenges are characterized, such as lack of transformation focus and poor regional cooperation based on clear-cut common needs. The innovation capacities of the regions and the actions that they should take for this end have been described. An idea is put forward to promote an economic mechanism based on public-private partnership investment programs with the order of priorities for programs and projects, market motivation and a growing positive effect for an increasing number of new branches. Transformational actions for the smart specialization of the pilot regions of Ukraine have been generalized according to blocks, based on the mechanisms and clusters described above.

It is proposed to consider the following items during the current and future political discussions in the regions of Ukraine:

1) the essence of introducing smart specialization, switching from the traditional budget utilization, that is based on regional development priorities, to new transformational arrangements;

2) all the cluster initiatives of Ukraine should be promoted and used as levers of regional economic development, and should play an active role in a regular process of the transformational arrangements identification and advancement;

3) creating through «anchor projects» and public-private partnership programs a closer link between the main initiatives of local enterprises and a clear order of priorities and a growing effect for different industries (sectors) of the regional economy.

Key words. clusters, smart specialization, regional economic policy, regional strategy, transformations, Ukrainian region.