

IOM – Livelihoods +

As of: September 2026

Economic integration of internally displaced persons in Ukraine

Project partner	International Organization for Migration (IOM)
Description	The aim of the Project is to improve the economic independence and thus the living conditions of internally displaced persons and conflict-affected population groups with high economic vulnerability.
Donor	Federal Ministry for Economic Cooperation and Development (BMZ)
Financial volume	EUR 20m

Starting Point

The ongoing state of war in Ukraine following the Russian attack in early 2022 continues to generate strong migration flows in the country. According to surveys by the International Organization for Migration (IOM), around 3.45 million Ukrainians were registered as internally displaced persons (IDPs) in July 2026. Many IDPs find it difficult to find regular employment, partly due to the tense economic situation and disrupted value chains. At the same time, host communities are under increasing pressure, which is leading to rising social tensions. In addition, there is often a lack of business management knowledge, appropriate support and financing channels to turn skills into viable self-employment. Against this backdrop, the Project focuses on business creation and expansion as a realistic income and integration strategy.

Approach

The Project is being implemented by the UN organization IOM. IOM serves both as the recipient of the funds and as the implementing entity. For implementation, IOM works with non-governmental organizations, which, among other things, are responsible for outreach and information for the target group as well as for the independent delivery of entrepreneur training seminars. In addition, the selection of business ideas and the distribution of in-kind contributions are carried out in close cooperation with IOM.

The Project comprises three mutually complementary components. First, companies and entrepreneurs are supported through grant and financing mechanisms, capacity-building support, and accompanying qualification measures. These activities will help companies to resume or expand their business activities, thereby safeguarding employment and creating economic value. Second, social resilience and community development are strengthened through the establishment and support of development councils and municipal action plans. In addition, selected infrastructure measures in the target municipalities will be financed. Third, a network of economic hubs and (sub-)hubs in the target

communities will be rehabilitated and expanded. The hubs are intended to provide space for practical networking, for example through mentoring and exchange formats, job opportunities, and community-based support services, including psychosocial needs.

Impact

The Project supports Ukrainians in securing their livelihoods independently. The focus is on IDPs and the population of host communities. To this end, it primarily supports the creation of new businesses and the expansion of existing small businesses, both financially and through capacity building and advisory services. This will create new jobs, safeguard existing employments, and support the integration of IDPs in the host communities.

In addition, community-based measures in planning and infrastructure help to stabilize coexistence at the local level. The network of hubs also provides a place where people can network and make better use of their economic opportunities. The offer includes, among other things, support with employment, advisory services, market integration and – where necessary – psychosocial support.

Publisher

KfW Group
KfW Development Bank
Palmengartenstraße 5–9
60325 Frankfurt / Main, Germany

Phone +49 69 7431-9777
Fax +49 69 7431-2944
bastian.heil@kfw.de
www.kfw-entwicklungsbank.de