

UNODC-UNCTAD Expert Consultation on the SDG Indicator on Illicit financial flows

Concept note

The reduction of Illicit Financial Flows (IFFs) is considered a key strategy in a number of policy areas, including the fight against organised crime, corruption and against the erosion of public resources through tax evasion and other practices. The international commitment to counter IFFs is clearly reflected in the Sustainable Development Goal (SDG) Target 16.4 *“By 2030, significantly reduce illicit financial flows and arms flow, strengthen the recovery and return of stolen assets and combat all forms of organised crime”*.

The United Nations Economic and Social Council (ECOSOC) has approved the indicator framework for the global monitoring of the SDG including indicator 16.4.1 which focuses on IFFs: *“Total value of inward and outward illicit financial flows, in current United States dollars”*. However, an internationally agreed methodology has not yet been defined to populate this indicator. As custodian agencies of this SDG Indicator, UNODC and UNCTAD have developed a program of coordinated actions to develop, review and test a statistical methodology to measure IFFs. As part of this program, a testing of the statistical measure will initially be conducted in four countries in Latin America. Selected countries in Africa will follow. The ultimate goal of this program is to develop a set of methodological guidelines that can be used at national and international level to estimate SDG Indicator 16.4.1.

The expert consultation meeting intends to gather global expertise on IFFs to initiate a technical discussion on the possible statistical approaches for the measurement of SDG Indicator 16.4.1. The consultation will focus on conceptual, methodological and operational challenges for the measurement of Illicit Financial Flows.

The meeting aims at developing a global strategy towards:

- A comprehensive statistical and measurement framework on IFFs, with descriptions of the various IFF types to be used for statistical purposes;
- Possible approaches for estimating the various IFFs components, including data sources and statistical methods taking into account existing national statistical frameworks ;
- Strategies and approaches to test the discussed methodology.

Two background papers that UNODC and UNCTAD are currently preparing will facilitate the meeting discussion; both papers will be sent to the participants before the meeting.

The meeting will be structured around interactive discussions among participating experts. The Expert Consultation will be held in English only.