Target 16.4
By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime

Research and Trend Analysis Branch
**The indicator framework for SDG target 16.4**

- **Indicator 16.4.2**: Proportion of seized, found or surrendered arms whose illicit origin or context has been traced or established by a competent authority in line with international instruments (UNODC and ODA co-custodian)

- **Indicator 16.4.1**: Total value of inward and outward illicit financial flows (in current US Dollars) (UNODC and UNCTAD co-custodian)
Illicit Financial Flows for statistical purposes

Monetary measure of:

- International transfers of illicitly earned capital
- (Originally) legal capital transferred internationally for illicit purposes
- (Originally) legal capital transferred illicitly

Core Elements:

- Illicit
- Cross-Border (not domestic)
- Flows (not stocks)
Distinguishing four types of IFFs (for statistical purposes):

- **Tax Practices**
- **Corruption**
- **Theft-Type**
- **Illegal Markets**
  - Drug trafficking
  - Tip/SoM
  - Illegal mining

UNCTAD Focus

UNODC Focus

IFFs
Main IFFs emerging from drug trafficking

Country A

Drug processing, wholesale and retail sale

Value is generated
Dual Focus in Measuring IFFs

Income Generation

• Illicit financial flows connected to illicit markets and their functioning
• Supply and demand of illicit goods and services generate cross-border financial flows

Income Management

• Illicit financial flows generated to manage the income generated from illicit activities
• Consumption and investment patterns of illicit actors
Statistical Framework for Measuring IFFs

Key features:

• **Country-Level**: Allows to measure IFFs at the level of countries (in line with SDG indicator framework)

• **Disaggregated**: identifies main IFFs types and builds separate estimates for each of them

• **Compatible**: Aligned to established concepts and standards from economics and accounting (National Accounts and Balance of Payments)
Current activities:

SDG 16.4.1: “Total value of inward and outward illicit financial flows”

- Two regional projects for technical implementation in Latin America & Africa (UNODC partnering with UNCTAD, ECA & ECLAC)
- Latin America IFF project led by UNODC in cooperation with UNODC-INEGI Centre of Excellence for Statistical Information. A methodology will be tested in Colombia, Ecuador, Mexico, Panama and Peru.
- Africa IFF project led by UNCTAD
- Joint Expert Group Meetings held in Vienna (December 2017) and Geneva (June 2018)
- Regional meeting in Mexico (November 2018); Implementation of draft methodology in pilot countries in 2019
- Finalisation of methodology to be used at country level by end of 2019
Indicator 16.4.2

Proportion of seized, found or surrendered arms whose illicit origin or context has been traced or established by a competent authority in line with international instruments
Member States participating in 2015 UNODC data collection exercise on firearms, and other countries with supplementary sources

Legend
- Member States responding to UNODC questionnaire
- Countries with supplementary sources

The boundaries shown on this map do not imply official endorsement or acceptance by the United Nations. Dashed lines represent undetermined boundaries. The dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties. The final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined. A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas).
Member States participating in 2019 UNODC data collection exercise on firearms, and other countries/territories with supplementary sources*

Legend
- **Member States responding to UNODC questionnaire (IAFQ)**
- **Countries or territories with partial or supplementary data (for 2016/17) from other sources**

*Status as of 28 March 2019

The boundaries shown on this map do not imply official endorsement or acceptance by the United Nations. Dashed lines represent undetermined boundaries. The dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties. The final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined. A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas).
- Seizures of arms, various breakdowns
  - also case by case for a subset of cases

- Criminal context
  - legal justification and other suspected offences

- Arms found and surrendered
  - less detailed breakdowns

- Tracing of arms seized, found and surrendered
  - crucial for SDG 16.4.2

- Seizures of parts, components and ammunition

- Criminal justice data on firearms trafficking offences
Seizures of illicit arms*, proportions by tracing outcome, 2016-17 (10 countries)

* Only arms of illicit origin which were potentially traceable through marking are considered.
** The interquartile range represents the “middle half” of the datapoints; in other words, it excludes data from the lowermost quartile and the topmost quartile.