Experiences of the pilot to measure illicit financial flows in Latin America

26 May 2021

Kick-off meeting of pilot activities for measuring illicit financial flows in Asia-Pacific countries

General session

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Outline

1. The pilot
2. The main activities
3. The challenges and benefits
Objective: develop a globally feasible methodology for measuring IFFs related to illicit markets and pilot test its application.

Illicit markets:
- Drugs
- Trafficking in persons
- Smuggling of migrants
- Illegal mining

Participant countries:
- Mexico
- Colombia
- Ecuador
- Peru

Pilot structural organization for crime-related IFFs

UNODC HQs,
Research and Trend Analysis Branch

- Methodological inputs (guidelines and data collection tools)
- Quality assurance

Center of Excellence, UNODC MEXICO

- Dissemination to other countries.
- Support to UNODC Brazil.

Colombia

- UNODC Colombia
- Leader institution
- Institutions’ technical experts

Ecuador

- National Consultant
- Leader institution
- Institutions’ technical experts

Mexico

- National Consultant
- Leader institution
- Institutions’ technical experts

Peru

- National Consultant
- Leader institution
- Institutions’ technical experts
### Pilot summary, per country and illicit market

<table>
<thead>
<tr>
<th>Country</th>
<th>Illicit market</th>
<th>Estimations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>Cocaine hydrochloride trafficking</td>
<td>Finalized</td>
</tr>
<tr>
<td></td>
<td>Heroin trafficking</td>
<td>Finalized</td>
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<td></td>
<td>Methamphetamine trafficking</td>
<td>Finalized</td>
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<tr>
<td></td>
<td>Cannabis trafficking</td>
<td>Test conducted. Key data not available</td>
</tr>
<tr>
<td></td>
<td>Smuggling of migrants</td>
<td>Finalized</td>
</tr>
<tr>
<td></td>
<td>Trafficking in persons</td>
<td>Test conducted. Key data not available</td>
</tr>
<tr>
<td>Peru</td>
<td>Cocaine hydrochloride trafficking</td>
<td>Finalized</td>
</tr>
<tr>
<td>Colombia</td>
<td>Illegal gold mining</td>
<td>Key data not available but methodological framework developed</td>
</tr>
<tr>
<td></td>
<td>Cocaine hydrochloride trafficking</td>
<td>Finalized</td>
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<tr>
<td></td>
<td>Trafficking in persons</td>
<td>Test conducted. Key data not available</td>
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<td>Ecuador</td>
<td>Smuggling of migrants</td>
<td>Finalized</td>
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<tr>
<td></td>
<td>Cocaine hydrochloride trafficking</td>
<td>Estimations under review</td>
</tr>
</tbody>
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Technical regional meeting on the measurement of IFFs (kick-off meeting)

Date: November 20-22, 2018, Mexico City

Objective: The draft statistical framework for measuring illicit financial flows related to criminal activities was presented and discussed: drugs, human trafficking, smuggling of migrants, illegal mining.

Participation: 7 countries and 3 international organizations.

Result: National work plans were developed and agreed to conduct pilot IFF measurement activities starting in 2019.
Regional Technical Meeting to Measure Illicit Financial Flows

Date: November 6th-7th, 2019, Mexico City

Objective: Review the measurement methodologies and the preliminary estimates per country.

Participation: Center of Excellence, UNODC HQ, UNODC Colombia, National consultants.

Agreement: Steps needed to continue the pilot were defined, per country activities.
Technical visits and follow up with the participating countries

Time period: 2019-2020

Objective: Meet the participating institutions, identify/collection the relevant data, identify best methodologies.

Agreements: Follow up with the countries on the data collection and estimation exercises.
Mexico national technical meeting

Date: March 18th, 2020

Objective: Review preliminary estimates of Mexico inward and outward IFFs related to drugs and migrant smuggling markets.

Participation: Financial Intelligence Unit, Ministry of Health, Law enforcement authorities.

Agreement: Finalize the estimations and present them in a next meeting.
Peru national technical meeting

Date: November 9th, 2020

Objective: Review preliminary estimates of Peru inward IFFs related to hydrochloride cocaine trafficking.

Participation: Financial Intelligence Unit, Ministry of Health, Law enforcement authorities, Precursor chemicals regulation authority.

Agreement: Share the final report to the institutions for their review.
Second Mexico national technical meeting

Date: November 17th, 2020

Objective: Review the finalized estimates of Mexico inward and outward IFFs related to drugs.

Participation: Financial Intelligence Unit, Ministry of Health, Law enforcement authorities.

Agreement: Share the final report to the institutions for their review.
Ecuador national technical meeting

Date: February 26th, 2021

Objective: Present the final estimates of Ecuador outward IFFs related to smuggling of migrants.


Agreement: share the pilot summary results, when available, to the institutions.
Final regional meeting on the pilot results

Date: March 25th, 2021

Objective: Presentation of results from pilot studies in four countries of Latin America.

Participation: Some 130 participants from national institutions, national statistical offices from pilot countries and other countries in the region.

Results: Meeting webpage with key documents and presentations available.
### CHALLENGES

**Methodological**
- Adapt the methodology to the regional and national context as well as the specific illicit market

**Cooperation**
- Raise awareness about indicator 16.4
- Consider the diversity of the relevant institutions
- Institutional engagement

**Data collection**
- Scarcity
- Confidentiality

### BENEFITS

**Data collection**
- Use data for something that has never been done before
- Identify data gaps

**Increased capacity**
- Analytical capacities to understand how the markets work

**Partnership development**
- Awareness on the importance of public policies to address IFFs
- Start dialogues between countries on measuring IFFs
Thank you for your attention

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