Illicit Financial Flow Measurement: Pilot Study on IFF from Drug Trafficking: Bangladesh Experience

54th Session of the UN Statistical Commission Side Event

Juairia Haque
Joint Director
Bangladesh Financial Intelligence Unit
Bangladesh
Why Measure IFF

- Bangladesh’s 8th *Five-Year Plan* aims to attain SDG
- Integration of SDG in national policy
  - 1st Action Plan of Strategy 1: “*conclude a study to find out the amount of outward IFF and their destinations*”
- Lead Agency to implement: **Bangladesh Financial Intelligence Unit (BFIU)**

BFIU: National Central Agency to Receive, Analyze and Disseminate STR/SAR related to ML &TF
Proposal to conduct study

- UNODC-UNCTAD-ESCAP came up with proposal (September 2020)
- Initial Phase - IFF associated with drugs and drug trafficking
- Why measure IFF related to drugs?
- Geographical factor:
  - 4156 km land border with India
  - 250 km land border with Myanmar at southeast corner
- Center of Golden Wedge, Golden Triangle and Golden Crescent
- A lucrative transit

BFIU: National Central Agency to Receive, Analyze and Disseminate STR/SAR related to ML &TF
Pilot activities

- Kickoff Meeting
- National Focal Point – BFIU
- Consultant appointment-Regional & National
- Local Support - UNODC BD Project Office
- Virtual Meetings & 3 National Level Workshops
- Data collection questionnaires and tools  
  *drug supply and drug demand*
  - 23 Organizations initially identified

- Key stakeholders and data providers
  - Department of Narcotics Control (DNC), Central Drug Addiction Treatment Centre (CDATC), National Institute of Mental Health (NIMH), Other LEA agencies
Drug Situation of Bangladesh

▪ Heroin, Yaba, Phensidyl and other cough syrup, Buprenophine Illegal Import/Trafficking contribute to outward IFFs

▪ Cannabis (Marijuana)
  - local production mostly and import to some extent
  - no indication or estimation of production
  - estimation of IFF from cannabis not carried out

▪ Export Countries - **India and Myanmar** (destination countries of IFF associated with drug trafficking)

▪ No data on export or re-export of drug from Bangladesh
Baseline of Data for Estimation

- **Drug prices**
  - knowledge and experience of the relevant officials
  - price varies due to situation, availability, consumption, place and stringent actions of the LEAs

- **Drug Consumption**
  - general population survey (National Institute of Mental Health, 2021)
  - data collection survey with 3 indicators i.e. quantity, frequency and expenditure
  - data from drug treatment centers (both govt. institutes and NGOs) and other interviews with experts

- The estimation of outward IFF associated with drug trafficking uses drug seizures at the national level (i.e., by all the seizures carried out by the corresponding law-enforcement agencies)
Challenges We Dealt in

- Covid-19 pandemic
- Data insufficiency
- Scattered information
- Lack of Inter-agency coordination
- Lack of proper record keeping or database management
- Varieties of stakeholders and professions involved like LEAs, militias, drug addiction treatment centers, hospitals/clinics, NGOs etc.
Benefits of the Project

- 1st initiative ever for measuring IFF
- Enhanced inter-agency collaboration and coordination
- Opportunity to work with different stakeholders in single platform with common goal
- Stakeholder engagement and awareness building
- Enhancement of expertise of the relevant stakeholders
- Experts opined the study is relatively reliable despite some limitations
Going Forward

- Capacity Building of the relevant stakeholders
- Build an inter-agency coordination mechanism for collecting and supplying data on IFF and its measurement
- **Explore** other IFF initiatives—Corruption, Tax and commercial practices etc.
THANK YOU!