

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

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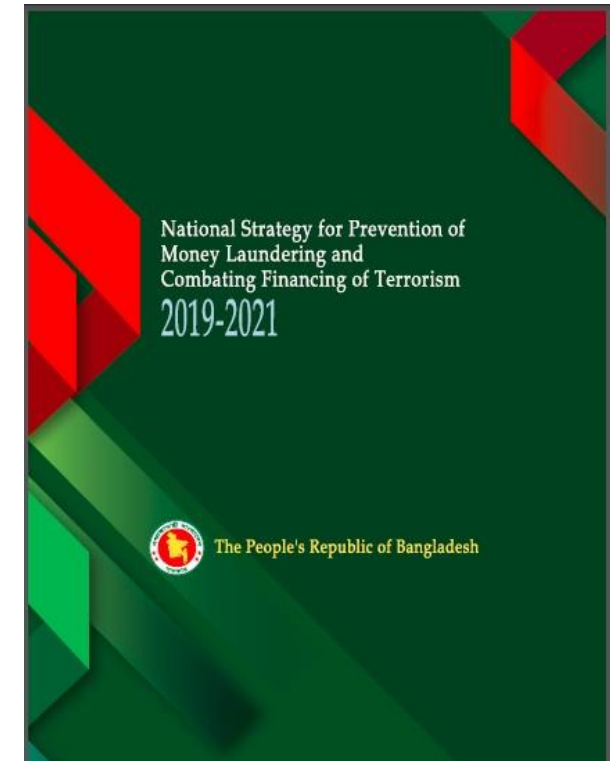
Bangladesh Financial Intelligence Unit

Bangladesh



Why Measure IFF

- Bangladesh's 8th *Five-Year Plan* aims to attain SDG
- Integration of SDG in national policy
 - National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism 2019-2021
 - 1st Action Plan of Strategy 1: **“conduct a study to find out the amount of outward IFF and their destinations”**
 - Lead Agency to implement: **Bangladesh Financial Intelligence Unit (BFIU)**





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**





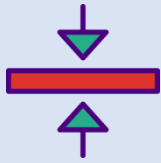
Pilot activities

- 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, Buprenorphine**
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!