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United Nations Office on Drugs and Crime

Independent Evaluation Section



FINAL INDEPENDENT PROJECT EVALUATION DEVELOPING INDICATOR ON ILLICIT FINANCIAL FLOWS AND MONITORING THEM IN LATIN AMERICA

1617AL

April 2021



This independent evaluation report was prepared by an evaluation team consisting of Mr. Edgar Arredondo, independent consultant and Mr. Aldo Magoga, expert on crime statistics and data analysis. The Independent Evaluation Section (IES) of the United Nations Office on Drugs and Crime (UNODC) provides normative tools, guidelines and templates to be used in the evaluation process of projects.

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CONTENTS

CONTENTS	ii
ABBREVIATIONS AND ACRONYMS	iii
MANAGEMENT RESPONSE	v
EXECUTIVE SUMMARY	vi
SUMMARY MATRIX OF FINDINGS, EVIDENCE AND RECOMMENDATIONS.....	x
I. INTRODUCTION.....	1
Background and context.....	1
Evaluation methodology.....	4
Limitations to the evaluation	6
II. EVALUATION FINDINGS.....	7
Relevance	7
Efficiency	12
Coherence	14
Effectiveness.....	17
Impact.....	21
Sustainability	23
Human Rights, Gender Equality and leaving no one behind.....	25
III. CONCLUSIONS.....	26
IV. RECOMMENDATIONS	28
V. LESSONS LEARNED AND BEST PRACTICES.....	31
Lessons Learned	31
Best Practices.....	32
ANNEX I: TERMS OF REFERENCE.....	34
ANNEX II: EVALUATION TOOLS: QUESTIONNAIRES AND INTERVIEW GUIDES	44
ANNEX III: DESK REVIEW LIST.....	71
ANNEX IV: STAKEHOLDERS CONTACTED DURING THE EVALUATION.....	73
ANNEX V: RESULTS MATRIX OF THE LOGICAL FRAMEWORK WITH COMMENTS.....	74
ANNEX VI: PRODUCT ANALYSIS OF THE PROJECT’S OUTCOMES	78

ABBREVIATIONS AND ACRONYMS

Abbreviation or Acronym	Full name	Abbreviation or Acronym	Full name
CLPs	Core Learning Partners	LA	Latin America
COCOL	UNODC's Country Office in Colombia	ML	Money Laundering
CoE	UNODC-INEGI Centre of Excellence for Statistical Information on Government, Crime, Victimization and Justice, Mexico	NGOs	Non-governmental Organizations
DAC	Development Assistance Committee	NSOs	National Statistical Offices
DANE	National Administrative Department of Statistics, Colombia	OECD	Organisation for Economic Co-operation and Development
DEVIDA	Comisión Nacional para el Desarrollo y Vida sin Drogas/ National Commission for the Development and Life without Drugs	PD	Project Document
EA	Expected Accomplishments of the project	SDGs	Sustainable Development Goal
ECA	Economic Commission for Africa	SIMCI	Integrated System for the Monitoring of Illicit Crops, Colombia
ECLAC	UN Commission for Latin America and the Caribbean	SNA	System of National Accounts
EGMs	Expert Group Meetings	TF	Terrorism Financing
FIUs	Financial Intelligence Units	ToR	Terms of reference

FINAL INDEPENDENT PROJECT EVALUATION OF DEVELOPING INDICATOR ON ILLICIT FINANCIAL FLOWS AND MONITORING THEM IN LATIN AMERICA (1617AL)

Abbreviation or Acronym	Full name	Abbreviation or Acronym	Full name
HQ	UNODC's Head Quarters in Vienna	UIAF	Financial Information and Analysis Unit of Colombia
IA	Indicators of achievement	UN	United Nations
IAEG-SDGs	Inter-Agency Expert Group of the SDGs	UNCTAD	United Nations Conference on Trade and Development
ICCS	International Classification of Crime for Statistical Purposes	UNDESA	United Nations Department of Economic and Social Affairs
IES	Independent Evaluation Section of UNODC	UNECA	United Nations Economic Commission for Africa
IEU	Independent Evaluation Unit	UNEG	United Nations Evaluation Group
IFFs	Illicit Financial Flows	UNODC	United Nations Office on Drugs and Crime
IMF	International Monetary Fund	US	United States
INEGI	National Institute for Statistics and Geography, Mexico	USD	United States Dollar

MANAGEMENT RESPONSE

Recommendations ¹	Management Response ²
1. Engage with recipient governments to jointly identify follow up projects.	Accepted
2. For future similar projects deploy a different, more efficient strategy of implementation, based on what was learned in this pilot project.	Accepted
3. More pilot projects are needed elsewhere to keep on perfecting and expanding the possibilities to measure IFFs.	Accepted
4. Capacity building to measure IFFs should also be regarded as a long-term ongoing activity, to expand the possibilities of achieving a global indicator.	Accepted
5. Develop a long-term strategy to engage National Statistical Offices.	Accepted
6. Make sure guidelines are construed involving local technical experts from the beginning on.	Accepted
7. Explore ways to further include a gender and vulnerable-groups-inclusion perspectives into this kind of projects and studies.	Accepted
8. For follow up projects or other pilots elsewhere try to find funding mechanisms that allow more flexible use of resources.	Accepted

¹This is just a short synopsis of the recommendation, please refer to the respective chapter in the main body of the report for the full recommendation.

²Accepted/partially accepted or rejected for each recommendation. For any recommendation that is partially accepted or rejected, a short justification is to be added.

INTRODUCTION

Illicit Financial Flows are an important component of the resources mobilized and gained by a large group of criminal and illicit activities. To measure and trace them is essential for an efficient combat and control of those illicit or criminal activities, and to better estimate and stop the deviation of resources from sustainable development. Nevertheless, before this project, there existed no clear or agreed upon conceptual understanding of IFFs nor a differentiation of its types, and less so a methodology to measure them.

PROJECT DESCRIPTION AND OBJECTIVES

To solve this problem, this project was created as a joint effort between UNODC and UNCTAD, to develop a methodological approach based on a global agreement on the conceptual definition of IFFs. Funded by the UNDA on its 10th Trench, this project was also intended as an attempt to find a way to measure IFFs under the terms set by indicator 16.4.1 of the SDGs, which is one of two indicators to measure target 16.4: “By 2030, significantly reduce illicit financial and arm flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime.”

As custodians of this indicator, UNODC and UNCTAD were to be partnered in this objective, each working on the development of a methodological approach for one of the two major types of IFFs: those associated with illegal or illicit practices of commerce and taxation (UNCTAD) and those associated with criminal activities and corruption (UNODC).

PURPOSE, SCOPE AND METHODOLOGY OF EVALUATION

The purpose of this evaluation has been to assess the relevance, efficiency, coherence, effectiveness, impact and sustainability, as well as the respect of human rights and the mainstreaming of gender and leaving no one behind of the project’s implementation. It also presents lessons learned, best practices and recommendations that can help improve organizational learning and the planning of future activities on measuring IFFs.

The evaluation comprises the whole project, from its beginning in July 2017 to February 2021. It covers the activities done through pilot studies in four target countries – Colombia, Ecuador, Mexico and Peru.

The methodological approach for this evaluation has been contribution analysis. That is, impact has been causally inferred based on the Logical Framework of the Project Document, the risks contemplated in it and its assumptions. Assessment of impact through this form of analysis is drawn from plausible conclusions rather than from objective data analysis of factual (long term) change. The objective has been to analyse how the project was implemented and to what extent it attained results due to its own actions, taking into account how other internal and external factors influenced in its outcomes.

The Evaluation Team in charge of this evaluation is composed by Edgar Arredondo Casillas, an independent consultant with experience on public policies on crime prevention, and Aldo Magoga, an expert on crime statistics and data analysis. The evaluation process has been supervised and quality assured by the Independent Evaluation Section (IES) of UNODC.

MAIN FINDINGS

The project is highly relevant internationally for it targeted *and solved* a particularly important global problem: the lack of agreement on a conceptual definition of IFFs and the inexistence of a methodological framework to measure them.

It was also sufficiently relevant for beneficiary countries, where the tools developed and handed over were not only found needed and useful, but also, where the methodological approach developed was found helpful to fully understand and map the criminal activities being studied.

The design of the project presented important challenges. Some of those challenges were: expected impact was too ambitious; not all risks were properly assessed or identified; the strategy of the project needed to be importantly modified – especially in regard to the lack of engagement and expected involvement of NSOs.

These design-related challenges limited the efficiency of the project. The funds for the project were mostly sufficient, but activities took longer than expected to be completed. This was related to the pilot nature of the whole exercise: given the novelty, complexity and breadth of the issue, it was difficult to properly anticipate how long it would take to develop the methodological framework, to achieve an international consensus and to translate this conceptual framework into specific guidelines for each criminal activity to be studied.

The delays during the first half of the project also postponed the pilot studies, which faced additional challenges that caused further setbacks, such as the complexity of the project's structure of management, the reluctance of NSOs to be involved and the difficulty to find sufficiently qualified consultants for the project in each country. Fortunately, an extension was granted, and pilot studies could be completed.

As a result of all this, not all activities were accomplished: the national workshops were cancelled and, instead, a regional workshop was organized; training modules, whose content depended on the results of the pilot studies, could not be done. One last activity had to be cancelled as well – the final workshop to discuss the results of the pilot studies – but, in this case, as a result of the COVID 19 Pandemic (a virtual presentation of the results was done instead).

Despite all this, the project was highly effective, for expected outcomes were almost fully accomplished. The document *Conceptual Framework for Statistical Measurement of IFFs* was considered a very good tool for its purpose and having an international agreement on its validity a great achievement. Pilot studies results were all regarded as relevant, successful and significant.

The project was highly coherent as well, and it managed to deliver its products complementary and in coordination with various national government institutions, creating positive synergies with their existing lines of work.

The partnerships established with them were good and functional, as were the ones established with the group of experts participating in expert meetings and the Task Force. Cooperation with other UN Agencies, as UNCTAD within the Task Force, CoE during the implementation of the pilot studies in Ecuador, Mexico and Peru and with COCOL in Colombia worked well in all cases. ECLAC did not participate in the project, as had initially been planned.

Because of all this, it can be asserted that the project achieved most of the impact *realistically* expected – i.e., taking into account the pilot nature of the whole exercise and its reduced time and resources. On the one hand, internationally, its impact is undeniable, for the developed tools have effectively helped to increase the understanding of IFFs and its types, and it has made possible, for the first time, a way to measure some of them in a global scale. In terms of the capacity built in target countries the impact was sufficient but not complete, for the project managed to deliver a set of tools that can help these countries to eventually achieve a measurement of IFFs for some criminal activities, but did not manage to enhance these capacities further, as expected in the Project Document.

This also affected partially the sustainability of the project, even if there is probability that the project's results will be sustained, at least in some areas and with some government institutions, for the tools transferred and the results of the pilot studies might be sufficient to guide beneficiary countries in their future efforts to measure IFFs.

Finally, the project's implementation was respectful of human rights, procuring gender equality and doing what was possible for leaving no one behind. Nevertheless, there is still a lot that can be done to improve the inclusion of these principles into the design of the project and into its outcomes – i.e., the issues studied in the pilots.

MAIN CONCLUSIONS

The development of a *Conceptual Framework for the Statistical Measurement of IFFs*, consistent with the System of National Accounts (SNA) and other statistical frameworks through an international consensus is a major accomplishment. This framework has also been translated into a series of guidelines and data collection tools that have been tested for various criminal activities as drug markets, smuggling of migrants, illegal gold mining and trafficking of persons, producing the first existing estimates of IFFs in four different countries – which is also a major achievement.

By doing this, the project has set a solid ground for what needs to be done to further expand existing knowledge and capabilities to measure IFFs, associated with all types of organized crime. That is, what has been achieved is a major step forward towards a better understanding of IFFs and its types and towards building and enhancing capacities worldwide to measure IFFs associated to criminal activities.

The methodology created has shown to be relevant for target countries not only to allow them to measure IFFs but also to increase their understanding of the nature of criminal markets and to enhance their tools to combat those criminal activities more efficiently. The tools developed have generated sufficiently solid achievements as to help the sustainability of the project's objective and to increase local capacities to measure IFFs.

The project was not devoid of challenges and problems during its implementation, but being a pilot in its nature, a lot can be learned from this first experience to improve future similar projects intending to measure IFFs associated to criminal activities in other regions and other countries.

Finally, gender issues need to be mainstreamed into the project's design and implementation more thoroughly, by incorporating specialists that might show the way to do so.

MAIN RECOMMENDATIONS

RECOMMENDATION 1 – FOLLOW-UP PROJECTS

Having found that this pilot project set the first solid ground for the measurement of IFFs related to criminal activities and having found that the impact of the project was sufficiently but not completely achieved in target countries (due to the fact that the training modules to enhance results could not be done), it is commendable to try to engage recipient governments to jointly identify follow up projects (as well as donors for those projects).

RECOMMENDATION 2 – STRATEGY OF IMPLEMENTATION

If there are to be future similar projects, or even for follow up projects, there is a lot to be learned from this first pilot experience, especially so in terms of the design, management and implementation of the project. Most of these learned experiences can be integrated through better planning and a different, more efficient strategy of implementation, which considers findings as: a) involving Country Offices and experts in as much as possible or involving a recognized national (preferably) or international expert on the field as a consultant; b) formalizing or advancing the country's engagement before implementation; c) involving technical experts of all relevant institutions in the whole process, from its very beginnings; d) making sure

there is at least one expert in charge of the project throughout the whole process of implementation and e) keeping the management structure as simple as possible.

RECOMMENDATION 3 – LONG TERM STRATEGY TO PERFECT THE METHODOLOGY

Given the fact that this was a pilot project, which accomplished the first agreement on a conceptual statistical framework to measure IFFs and that only a few first estimations could be calculated, it is necessary to think of a longer-term strategy to keep on testing the methodology in other regions and countries, as well as for other criminal markets. This would increase impact and sustainability worldwide.

For all other recommendations (eight total) see the main body of the text.

MAIN LESSONS LEARNED AND BEST PRACTICE

This project revealed that engaging beneficiary governments early and more securely is necessary for a good implementation of the project. This engagement has to somehow be formalized before intervention.

It also showed that Country Offices should be involved in implementation, to take advantage of the knowledge they have of the country and their existing relations.

Local technical experts should participate from the beginning of the project onwards to give their input on the reality of the country, its data basis, its existing knowledge and actual capabilities.

The creation of a Task Force composed by a multidisciplinary group of experts is a good practice when developing a methodology in a new subject, which will be globally used. It provides a good groundwork for discussion and agreement of ideas.

For all other lessons learned and best practices see the main body of the text.

SUMMARY MATRIX OF FINDINGS, EVIDENCE AND RECOMMENDATIONS

Findings	Evidence (sources that substantiate findings)	Recommendations (incl. recipient)
<p>Appropriate partnerships were established with government agencies involved (COHERENCE)</p> <p>Not all activities of the project could be completed; training modules had to be suspended (EFFECTIVENESS)</p> <p>Capacity building in target countries was not complete (still needs to be enhanced – IMPACT)</p> <p>The project could not do all that was planned to ensure sustainability (SUSTAINABILITY)</p> <p>More could be done to incorporate a gender and inclusion perspective into the estimations of IFFs (HR, GE and LNB)</p>	<p>Desk Review documents</p> <p>Interviews with internal stakeholders and recipients</p> <p>Surveys with recipients and other partners</p>	<p>1. Engage with recipient governments to jointly identify follow up projects – Directed to Project Managers at the Data Development and Dissemination Section of the Research and Trend Analysis Branch, at the UNODC-INEGI Centre of Excellence (CoE) and at the UNODC Country Office of Colombia (COCOL).</p>

FINAL INDEPENDENT PROJECT EVALUATION OF DEVELOPING INDICATOR ON ILLICIT FINANCIAL FLOWS AND MONITORING THEM IN LATIN AMERICA (1617AL)

Findings	Evidence (sources that substantiate findings)	Recommendations (incl. recipient)
<p>The design of the project presented important challenges for an efficient and effective implementation (RELEVANCE)</p> <p>Resources and inputs could not be converted into outputs and outcomes in a cost-effective manner: it took longer than expected to engage countries, find local experts as consultants; the management structure of the project was too complex; someone in charge during the whole process of implementation was needed (EFFICIENCY)</p> <p>Not all activities and outcomes could be completed; training modules were cancelled (EFFECTIVENESS)</p>	<p>Desk Review documents</p> <p>Interviews with internal stakeholders</p>	<p>2. For future similar projects deploy a different, more efficient strategy of implementation, based on what was learned in this pilot project – Project Managers at the Data Development and Dissemination Section of the Research and Trend Analysis Branch (and, at CoE and COCOL, if they help in similar interventions in Latin America).</p>
<p>This project, funded by UNDA, has a pilot nature and therefore, a limited possibility of impact and sustainability (RELEVANCE)</p> <p>The project is highly relevant internationally (RELEVANCE)</p> <p>Estimations could be done on three criminal markets, but more needs to be done (EFFECTIVENESS)</p> <p>Impact was achieved through the development of the tool, some guidelines and some IFFs estimations, but countries still need assistance to be able to apply those tools locally to their own criminal markets (IMPACT)</p> <p>Sustainability depends as well on replicability (SUSTAINABILITY)</p>	<p>Desk Review documents</p> <p>Interviews with internal stakeholders and recipients</p> <p>Surveys with recipients and other partners</p>	<p>3. More pilot projects are needed elsewhere to keep on perfecting and expanding the possibilities to measure IFFs – Project Managers at the Data Development and Dissemination Section of the Research and Trend Analysis Branch (and, at CoE and COCOL, if they help in similar interventions in LA).</p>

Findings	Evidence (sources that substantiate findings)	Recommendations (incl. recipient)
<p>This project, funded by UNDA, has a pilot nature and therefore, a limited possibility of impact and sustainability (RELEVANCE)</p> <p>The project is highly relevant internationally (RELEVANCE)</p> <p>Not all activities of the project could be completed; training modules were cancelled (EFFECTIVENESS)</p> <p>Impact was achieved through the development of the tool, some guidelines and some IFFs estimations, but countries still need assistance to be able to apply those tools locally to their own criminal markets; capacity enhancement is needed (IMPACT)</p> <p>Sustainability depends as well on capacity enhancement, which could not be completed (SUSTAINABILITY)</p>	<p>Interviews with internal stakeholders and recipients</p> <p>Surveys with recipients and other partners</p>	<p>4. Capacity building to measure IFFs should also be regarded as a long-term ongoing activity, to expand the possibilities of achieving a global indicator – Project Managers at the Data Development and Dissemination Section of the Research and Trend Analysis Branch (and, at CoE and COCOL, if they help in similar interventions in LA).</p>
<p>The design of the project presented important challenges, one of them being that NSOs did not get engaged with the project as the main government counterpart, despite being the agencies that should take over the responsibility of calculating SDG indicators (RELEVANCE AND EFFICIENCY)</p>	<p>Desk Review Documents</p> <p>Interviews with internal stakeholders</p>	<p>5. Develop a LONG-TERM strategy to engage National Statistical Offices – Project Managers at the Data Development and Dissemination Section of the Research and Trend Analysis Branch, at CoE and at COCOL.</p>
<p>Guidelines were regarded as very good for their purpose but needing too much work to be adapted to local realities; this reveals that the “bottom-up” approach for the development of these guidelines needs to be applied more thoroughly by including the technical experts’ view earlier on (EFFECTIVENESS)</p>	<p>Interviews with recipients and experts</p> <p>Surveys with recipients and other partners</p>	<p>6. Make sure guidelines are construed involving local technical experts from the beginning on – Project Managers at the Data Development and Dissemination Section of the Research and Trend Analysis Branch (and, at CoE and COCOL, if they help in similar interventions in LA).</p>

Findings	Evidence (sources that substantiate findings)	Recommendations (incl. recipient)
<p>An extra effort could have been made to include a gender/vulnerable groups perspective from the design of the project onwards that might have helped achieving a different result in this respect throughout the whole project implementation and within its outcomes (HUMAN RIGHTS, GENDER EQUALITY AND LEAVING NO ONE BEHIND)</p>	<p>Desk review Interviews with internal stakeholders</p>	<p>7. Explore ways to further include a gender and vulnerable groups inclusion perspective into this kind of projects and studies – Project Managers at the Data Development and Dissemination Section of the Research and Trend Analysis Branch, at CoE and at COCOL.</p>
<p>One of the main limitations found was the time assigned for the project, limitations to hire staff in a more permanent manner and the highly complex structure of management of the project (EFFICIENCY)</p>	<p>Desk review Interviews with internal stakeholders</p>	<p>8. For follow up projects or other pilots elsewhere try to find funding mechanisms that allow more flexible use of resources – Project Managers at the Data Development and Dissemination Section of the Research and Trend Analysis Branch (and, at CoE and COCOL, if they help in similar interventions in LA).</p>

BACKGROUND AND CONTEXT

OVERALL CONCEPT AND DESIGN

Due to an increasing concern among nations to know more about the amount, origin and use of Illicit Financial Flows (IFFs) and, in order to combat more efficiently the activities that give them origin, UNODC and UNCTAD, in collaboration with the UNODC-INEGI Mexico “Centre of Excellence for Statistical Information on Government, Crime, Victimization and Justice” (CoE) and the Economic Commission for Latin America and the Caribbean (ECLAC) started a project on July 2017 to develop, review and test a statistical methodology to monitor IFFs, and to support the National Statistical Offices (NSOs) of four target countries – Colombia, Ecuador, Mexico and Peru – to implement it. The project was also designed to assist target countries to improve their statistical capacity to produce and collect data on IFFs and has aimed to raise awareness on the importance of monitoring IFFs among key decision-makers globally.

The final purpose of the project has been to develop the methodological framework for indicator 16.4.1 of the SDGs, correspondent to SDG 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”. The indicator’s purpose is to help combat illicit financial flows and to measure the accomplishment of sustainable development goal 16.4, calculating the “Total value of inward and outward illicit financial flows (in current United State dollars)”. The indicator was classified as a Tier III indicator when established, meaning its methodology still needed to be developed and agreed upon.

The strategy presented in the Project Document (PD) establishes the following objective: “To increase understanding and national capacities to measure and monitor illicit financial flows in target countries”. To achieve this objective, the PD sets two main expected accomplishments (EA):

EA1: Improve the statistical capacity of target countries to measure IFFs as a result of the development of a Statistical Methodology.

EA2: Enhanced understanding and awareness among national stakeholders and policymakers about IFF types and magnitude.

The logic of the intervention to achieve its objective and the two EAs is sound, for it correctly identifies that:

1. A standardized definition of IFFs, for statistical purposes, and a consolidated methodological approach to measure them, needed firstly to be developed and approved by a group of international experts, by relevant institutions and organizations, as well as by target countries, as a grounding step for increasing the understanding and awareness among national stakeholders and policymakers about IFF types and magnitude and to eventually enhance their statistical capacities to measure IFFs.
2. This methodological approach needed then to be tested with pilot studies, implemented with the participation of target countries. In doing so, the methodology needed to be adapted to local realities and to the specific needs and complexities of measuring the activities generating IFFs that each country would decide to study.
3. Enhancing awareness and understanding of IFF types and magnitude in target countries, as well as local statistical capacities to measure them, required of a multifaceted strategy which included national and regional workshops with policy makers, researchers, NGOs, data producers and data users, and the elaboration and dissemination of a report with the approved definitions and methodology.

FINAL INDEPENDENT PROJECT EVALUATION OF DEVELOPING INDICATOR ON ILLICIT FINANCIAL FLOWS AND MONITORING THEM IN LATIN AMERICA (1617AL)

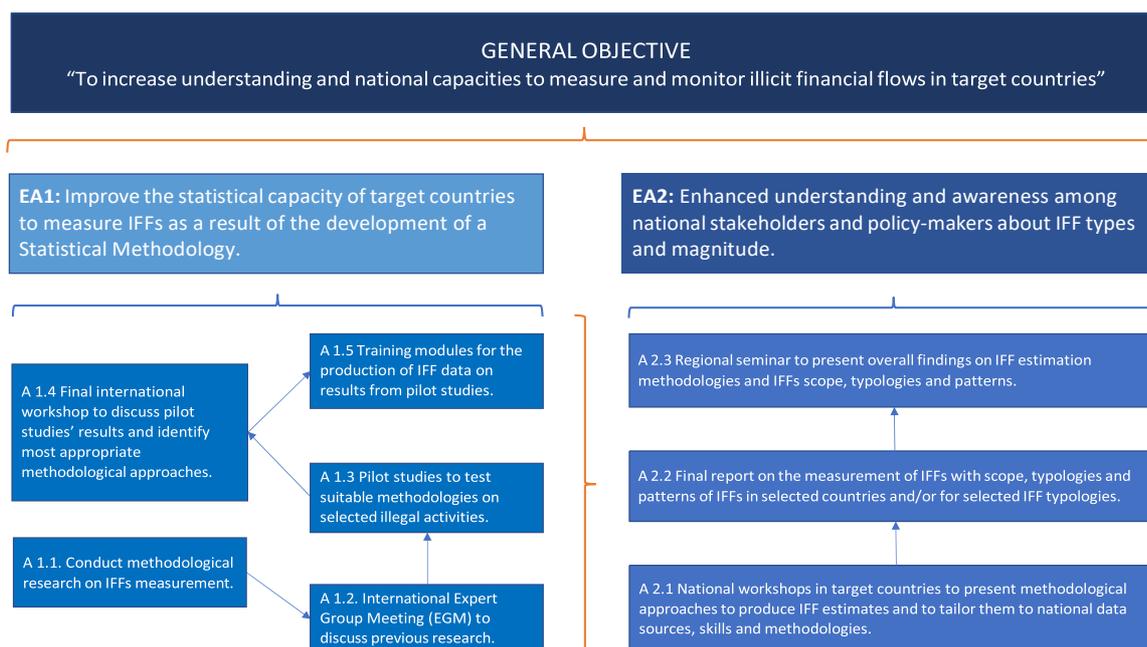


Diagram 1. Logical framework of the project.

The previous diagram illustrates the logic of the intervention in the PD: five activities are defined to make possible EA1 and another three activities that would lead to EA2. Diagram 1 shows that the logic of the intervention is correct, in as much as the activities set to accomplish EA1 and EA2 are all causally linked to expected outcomes.

Nevertheless, analysing these planned activities through desk review showed them to be insufficient for the full achievement of expected accomplishments and for expected institutional impact. This was confirmed during the evaluation’s research, as will be presented in the findings. It is important to take into account, though, that this project was funded by UNDESA through the United Nations Development Account on its 10th Trench, and therefore, its resources (budget), scope and time frame were relatively reduced or short, due to the “pilot project” nature of the exercise.³

The indicator system to monitor progress also presented some challenges, for some of the indicators chosen to monitor achievements were weak or imprecise.⁴ The PD established a monitor and evaluation system of quarterly reports, semi-annual and annual progress reports. Nevertheless, no effective monitor mechanism was established apart from the Annual Reports and through monitoring progress via continuous communication between CoE, The UNODC’s Country Office in Colombia (COCOL) and UNODC’s Head Quarters in Vienna (HQ).

Finally, the PD correctly identified six risks and established a mitigating action for each one of them but, as analysed further ahead, during implementation some important strategy modifications and extra actions needed to be taken to mitigate either other risks not foreseen or some of these identified risks whose magnitude was not properly assessed (see related findings on Relevance in Chapter II).

³ Projects funded by the UN Development Account (UNDA) are generally considered “pilot-projects” and, therefore, tend to have budgetary and time frame restrictions. The 10th Trench of the UNDA was set to support member states in implementing the post 2015 development agenda, specifically through strengthening statistics and data, evidence-based policies and accountability.

⁴ For example, there were no indicators to measure the improvement of national statistical capacities. In this regard, please go to Annex V, where results matrix of the logical framework of the PD is reproduced with some comments on its indicators.

The scope of the project was from 2017 to 2019, to be implemented, internationally, through various expert meetings and regional seminars, and in Latin America, through four pilot studies to be done in Colombia, Ecuador, Mexico and Perú. The time set for accomplishing the project's objective was too short and the project needed to be extended. Its present finalization date is by the middle of 2021.

The project was granted \$800,000 USD as a budget. It was implemented by staff members of UNODC hired temporarily for this specific project (3), some hired external consultants (2) in the Head Offices of UNODC in Vienna and with the advice of some contractual providers (4); by one staff member and a hired consultant within the Centre of Excellence (CoE) in Mexico, with the help of 3 hired external consultants (one in Mexico, one in Ecuador and one in Peru), and by staff members of the UNODC Country Office in Colombia (11).

PURPOSE AND SCOPE

The purpose of this independent final evaluation is to assess the relevance, efficiency, effectiveness, coherence, impact and sustainability of the project's implementation, as well as the respect of human rights and the mainstreaming of gender equality and leaving no-one behind principles. It also intends to derive lessons learned, best practices and recommendations, that can help improve organizational learning and planning future activities on measuring IFFs.

The evaluation comprises the whole project, from its beginning in July 2017 to March 2021. It covers the activities done through pilot studies in four target countries – Colombia, Ecuador, Mexico and Peru.

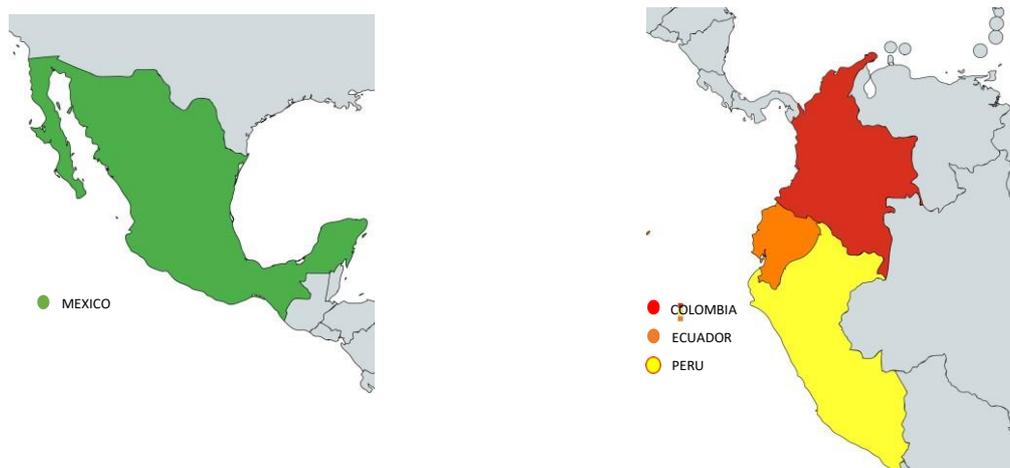
This evaluation is intended for all relevant stakeholders of the project: donors, UNODC management and beneficiaries. UNODC senior and programme management can benefit from it to certify the quality of the work undertaken and promote the implementation of similar projects in other regions, by engaging new interested countries to conduct pilot activities for upcoming projects, or for follow up projects in beneficiary countries.

THE COMPOSITION OF THE EVALUATION TEAM

The Evaluation Team in charge of this evaluation is composed by Edgar Arredondo Casillas (male), an independent consultant with ample previous experience in the design, implementation and evaluation of public policies on crime prevention, and Aldo Magoga (male), an expert on monitoring and evaluation, human rights and gender, crime statistics and data analyst for UN agencies and the European Union.

The evaluation process has been supervised and quality assured by the Independent Evaluation Section (IES) of UNODC.

MAP OF PROJECT COUNTRIES



Map 1. Four countries where the pilot studies took place.

EVALUATION METHODOLOGY

This evaluation follows all UNODC independent project evaluation norms, standards, guidelines and templates, as well as all Development Assistance Committee (DAC) criteria and evaluation quality standards.

This evaluation abides to all United Nations Evaluation Group (UNEG) ethical guidelines and UNEG code of conduct, and therefore, has been independent, objective and impartial; it has been respectful of the rights and safety needs of stakeholders involved in the evaluation process, and it has been conducted having personal and professional integrity, ensuring that issues of human rights and gender equality were adequately considered in the scope of the evaluation and within the evaluation process itself.

The methodological approach of this evaluation has been contribution analysis. This is mainly to do with the fact that impact is difficult to analyse due to the long-term end results of these forms of intervention. Therefore, it has concentrated on the contribution that actions planned have had on the fulfilment of outputs, and outputs themselves on the outcomes and the general objective of the project, considering also the influence of internal and external factors, assumptions and risks. The objective has been to analyse how the project was implemented and to what extent it attained results due to its own actions, taking into account how other internal and external factors influenced in its outcomes.

Impact, then, has been causally inferred based on the Logical Framework of the Project Document, the risks contemplated in it and its assumptions. Assessment of impact through this form of analysis is drawn from plausible conclusions rather than from objective data analysis of factual (long term) change.

The evaluation has been carried out using a mixed methods methodology with a concurrent triangulation design. Quantitative and qualitative information has been gathered independently and simultaneously. Findings are the result of a triangulation of sources of qualitative and quantitative information. Findings and sources have been compared to assess their consistency.

Qualitative information was obtained from documentary review and from semi-structured interviews with the different actors identified in the stakeholder map. Quantitative information, disaggregated by sex when possible, was obtained from the project indicators, reports, financial information and other documents received.

Two online surveys have complemented the information with perceptions and feedbacks recollected directly from the participants in the project, consultants of UNODC, academics and government officials of the institutions of Colombia, Ecuador, Mexico and Peru participating in trainings, seminars and the pilot studies of the project.

Gender equality has been assessed considering the inclusion of a gender focused approach in the project's design, and the inclusion of gender sensitive issues and equal gender participation during implementation.

The evaluation has had primary and secondary sources of information. The primary information sources are divided into quantitative, based on the online surveys, and qualitative, based on semi-structured interviews. The secondary information sources have been documentary (qualitative) and databases / indicators (quantitative).

Secondary sources were reviewed and analysed to present an Inception Report with some preliminary findings that were later compared to the findings obtained through the interviews and surveys done to primary sources. During this other collection phase of the evaluation, due to the restrictions imposed by the COVID-19 Pandemic, all data has been collected through long distance mechanisms – calls, messages, e-mails, interviews and surveys.

Our primary sources were the stakeholders that participated in the project. There were 70 stakeholders identified, out of which 7 have been considered as Core Learning Partners (CLPs) by the project managers. Of those 70, 18 were UNODC staff (5 from HQ and 13 from field offices), 3 were external consultants hired by CoE to help with the Pilot Projects, 28 were implementing partners, partners, or public servants of the government offices in target countries (15 from Colombia, 4 from Mexico, 4 from Ecuador and 4 from Peru),

FINAL INDEPENDENT PROJECT EVALUATION OF DEVELOPING INDICATOR ON ILLICIT FINANCIAL FLOWS AND MONITORING THEM IN LATIN AMERICA (1617AL)

and another 21 were members of the Task Force (5), contractual providers (6) or experts (10) that participated in the Expert Meetings.⁵

Table 1. Number of Stakeholders, stakeholder types and gender

STAKEHOLDERS	TOTAL	FEMALE	MALE
TOTAL	70	20	50
UNODC	21	7	14
HQ	5	2	3
Field	16	5	11
CoE*	5	1	4
Colombia	11	4	7
GOVERNMENT	28	10	18
Colombia	16	7	9
Ecuador	4	1	3
Mexico	4	0	4
Perú	4	2	2
EXPERTS	21	3	18
Task Force	5	1	4
Contractual Provider	6	0	6
Expert Meetings	10	2	8

- Hired consultants for pilot studies were added to the number of stakeholders in the CoE.

The number of stakeholders interviewed was 18 – 5 from UNODC Headquarters, 2 from the Centre of Excellence in Mexico, 2 consultants in field, 2 from UNODC Colombia, 3 Experts and 4 government officials (12 male/ 6 female; see Annex IV). The survey for government officials or people conducting the pilot studies was sent to 22 participants and only 11 of them answered (4 female). The survey for experts participating in the Expert Meetings or Task Force was sent to 15 experts and was answered by another 5 of them (all male).

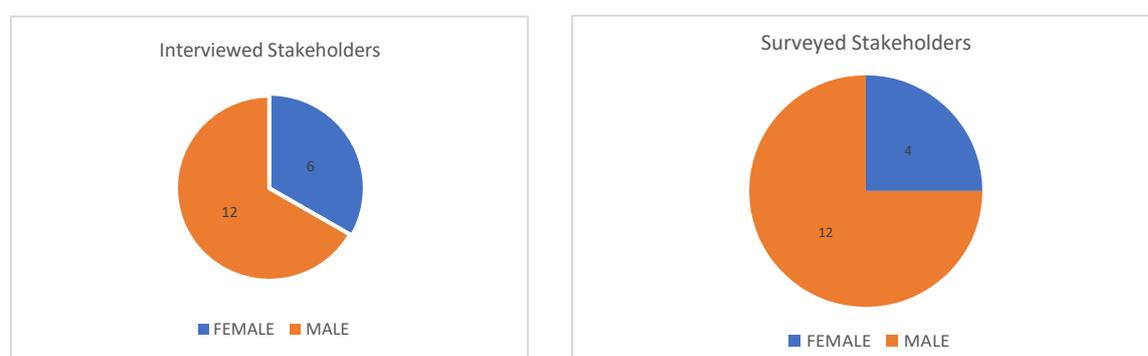


Figure 1. Gender of interviewed and surveyed stakeholders

The findings obtained after assessing all information, comparing, triangulating and analysing all data, are presented in this report. From these findings some conclusions were deduced, and some recommendations obtained. All recommendations and conclusions in this report are, therefore, firmly supported by the evaluation's findings.

⁵ For further reference to the list of stakeholders interviewed during evaluation see Annex IV of this document.

LIMITATIONS TO THE EVALUATION

The evaluation was carried out remotely and almost three years after the project started, which limited the access to some stakeholders. This affected especially the survey participation, where out of 37 people receiving the survey only 16 answered it. To try to mitigate this risk reminders were sent twice encouraging stakeholders to answer, and the limit date for receiving answers was extended.

Participation on the interviews was a lot easier and higher, which somehow compensates the lower participation in the surveys. The limitation here was with one specific group of stakeholders, the public officials of target countries, for only three government institutions could be interviewed – one from Mexico, one from Ecuador and one from Peru. This low participation of the representatives of government institutions was mainly explained because of the very low involvement that government institutions had in the project – i.e., they were mainly informed about the project and participated providing information for the estimates. Nevertheless, the government officials interviewed belonged to the institutions that were more actively involved and, therefore, their views could allow the evaluators an insight on the beneficiaries' perspective of the project.

The COVID-19 Pandemic also posed some limitations for no field research could be done, which normally allows evaluators a greater overview of how the project operated locally and greater freedom to engage with all different types of stakeholders involved. This was mitigated by trying to include all types of stakeholders in the interviews and surveys.

II. EVALUATION FINDINGS

RELEVANCE

EVALUATION QUESTIONS:

1. Was the design of the project adequate for an efficient and effective implementation of the project and to achieve the expected impact and sustainability?
2. To what extent are the outputs, outcomes and objective of this project relevant to recipient countries and to the mandates of involved agencies?
3. To what extent is the project's need based on evidence (research, studies, previous attempts to measure IFFs)?

The project was found very relevant due to the international importance of the theme it addressed, and for providing a successful methodology to measure Indicator 16.4.1 of the SDGs, and therefore, contributing to monitor progress towards the Sustainable Development Goal 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”, a central objective for UNODC and UNCTAD, due to their respective organizational mandates, and for national institutions that need to measure IFFs in order to better design, implement and monitor their public policies on crime prevention and criminal prosecution.

This project is also fully aligned with UNODC's long-term strategies, and specifically to the objectives and goals of the Division of Policy Analysis and Public Affairs⁶, to help member states to measure and analyse criminal acts at the global level and in the region. The participation of Mexico's UNODC-INEGI Centre of Excellence and the inclusion of the project's objectives in the strategic plan of the Research and Trend Analysis Branch, Division for Policy Analysis and Public Affairs of UNODC HQ, also make the project relevant.

In terms of its design, the expected outcomes and impact at the institutional level, as defined in the Project Document, have been found ambitious in relation to the time granted for the intervention and the expected involvement of government institutions. This limited the potential efficiency and effectiveness of the project, as explained ahead.

As pointed out earlier, though, it should be emphasized that this project was financed by the United Nations Development Account, which is a fund specifically established to enhance capacities in developing countries in priority areas, to serve as an operational facility for testing new and innovative development approaches and to support countries in their efforts to implement the 2030 Agenda. In its 10th trench (from which the resources for this project came) this program was aimed to “...strengthening the statistical capacity of developing countries to measure, monitor and report on the implementation of the SDGs and on progress with regard to their targets and indicators.”⁷

The project, therefore, should be considered as a “pilot” for the development of a methodology for indicator 16.4.1 and for its first attempts of implementation. If this is considered, its evaluation has to take

⁶ See https://www.unov.org/unov/en/div_policy.html; <https://www.unodc.org/documents/Advocacy-Section/UNODC-Strategy-WEB.pdf>;

⁷ “Implementation of projects financed from the Development Account: eleventh progress report”, Report for the Secretary General, 2 May 2019, p. 15.

into account that certain limitations in terms of budget, time and other resources, which affected the project's efficiency of implementation, were unavoidable.

Some of the most important findings about the project's design through the desk review were that a) planned activities in the PD were insufficient for the full achievement of expected accomplishments and for expected institutional impact; b) that even though most risks faced during implementation were correctly identified, the mitigating actions set in the PD for the risks identified were not always enough and some other important risks faced during implementation were not identified.

This was corroborated through the data collection phase and, therefore, it was found that the design of the project had not been adequate for an efficient and effective implementation of the project, nor to achieve expected impact and sustainability. This happened because a) risks were not properly identified or assessed, b) the strategy or the logical framework of the project needed to be significantly adjusted during implementation and c) the established objectives and outcomes were too ambitious for the time and the resources given to the project.

Another relevant finding in this respect, though, was that most of the challenges faced during the project's implementation (including these problems with the project's design, logical framework, planned strategies and the proper identification of risks and their mitigating actions) were explainable because of:

- a) The novelty of the subject matter of the project, its high level of complexity and its wide scope.
- b) Therefore, the "pilot" nature of the whole exercise – i.e., there were no precedents and not enough previous information as to properly evaluate risks and strategies of implementation.
- c) The administrative challenges and limitations posed by the norms intrinsic to the funding mechanism granted for this project.

Three of the risks identified in the PD, for example, were: facing difficulties in the development of the statistical framework, facing difficulties to engage target countries and facing difficulties in recruiting local consultants. Mitigating actions in the PD did not foresee these challenges would be so time consuming and this affected the project's efficiency of implementation causing important delays in achieving a consensus for the statistical framework and for initiating pilot studies. Some modifications to the project's original design needed to be done to properly cope with these challenges⁸ and some planned actions had to be moved or cancelled (as the national workshops and training modules) due to the delays caused. All this somehow compromised the overall effectiveness, impact and sustainability of the project (see findings in each of those corresponding *criteria*).

But there were also some risks that were not identified or foreseen⁹ that complicated the project's implementation further and, once added to previous delays, contributed to the need to cancel some activities. For example, it was not foreseen that National Statistical Offices (NSO's) would not be willing to take over the pilot studies nor that the limitations to hire staff in HQ would become an important constraint for the project's management, supervision and efficient implementation. And of course, the COVID-19 pandemic could not be predicted.

These challenges were the main cause of the delays in most of activities, the project's need of an extension and the impossibility to fully attain all expected accomplishments. These same difficulties made the logic of the intervention or the strategies chosen for implementation – as seen retrospectively by some stakeholders – less than ideal. For example, it was mentioned by a few of them that the project's structure for

⁸ The last activity planned for EA2 needed to be moved to be implemented relatively early, in order to "... ensure the involvement of various national agencies and promote large ownership in target countries." (2018 Annual Report) and, to attend the issue of the complexities faced to develop the methodology. A Task Force needed to be created between UNODC and UNCTAD to work more profoundly and consistently in the methodology.

⁹ Another risk that was not identified was the possibility of problems with inter-agency collaboration. This issue will be dealt when presenting the findings on the *criterion* of Coherence.

implementation was too complex, for it had too many layers. The following diagram intends to illustrate the complexity of this structure:

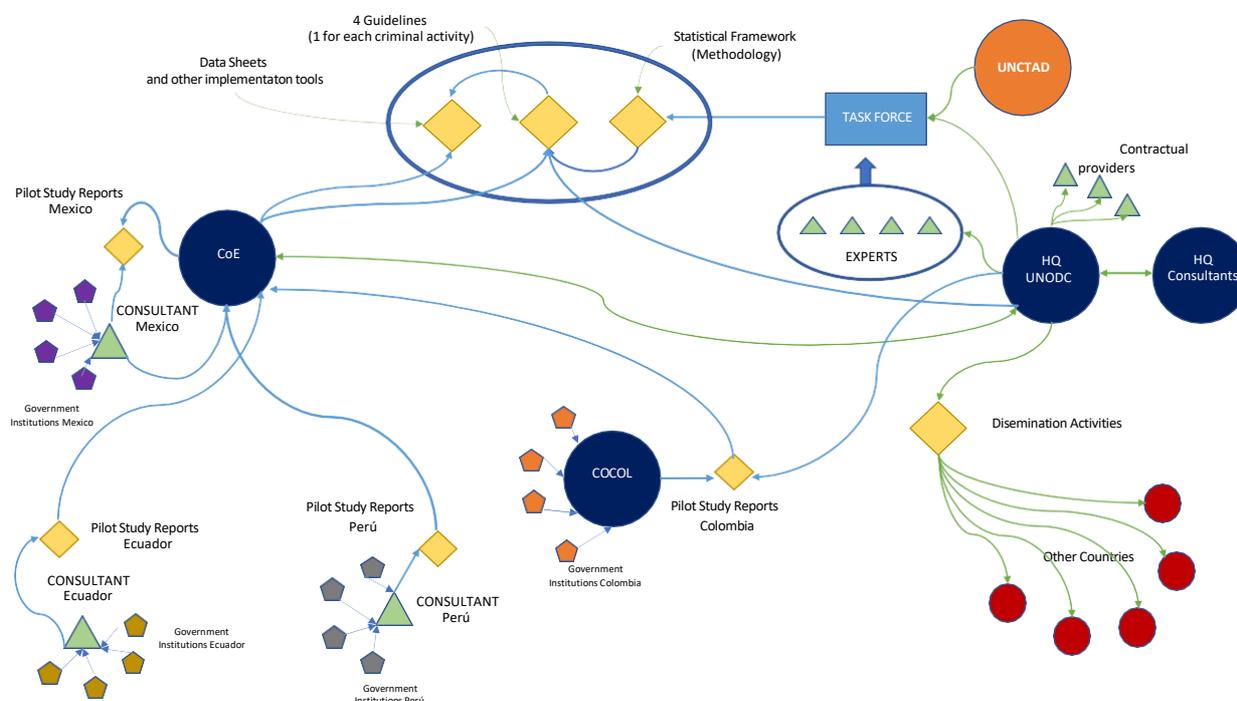


Diagram 2. Graphic representation of the project's structure for implementation

Some other issues found challenging about the strategy of implementation or the logical framework are the following:

- As NSO's could not be engaged with the project (not at least as to be the responsible counterpart of the pilot studies), CoE had to elaborate the estimations with the collaboration of an expert in each country in Ecuador, Mexico and Perú. The UNODC's Country Office in Colombia (COCOL) took over the responsibility of the estimations in Colombia. Therefore, it was found that a better "scouting" of the institutions that produce (or could be interested in producing) the relevant data for the estimations should have been done earlier, to be able to engage them sooner.
- NSO's seemed to be the "natural" strategic counterparts for this project for these agencies are in charge of all National Accounts' Statistics and they are also normally the ones responsible for the SDGs indicators. Nevertheless, in most countries, their work is limited to the statistical accounting of *legal* activities in their countries. Therefore, unless there are legal and administrative reforms to oblige them to incorporate *illegal* markets into their System of National Accounts (SNA) it will be difficult for them to take the leading role in integrating all information to calculate the SDG indicator 16.4.1.
- The issue is too sensitive, economically and politically, and therefore, engaging relevant institutions and governments to cooperate in sharing all relevant data is a great challenge. A better strategy should have been defined to work on this engagement from the beginning on and to achieve more "formal" or lasting compromise from government counterparts.
- Local actors (local technical experts, either from academia or from the institutions that actually have the relevant data basis, can share them, and are interested in the subject) should have been involved earlier in the methodological discussions and especially in the development of the guidelines for each specific type of IFF. This would have saved time in defining, revising and redefining these guidelines and producing all other relevant implementation tools, which needed to

be as grounded as possible in the realities of each market’s structure and each countries’ data availability.

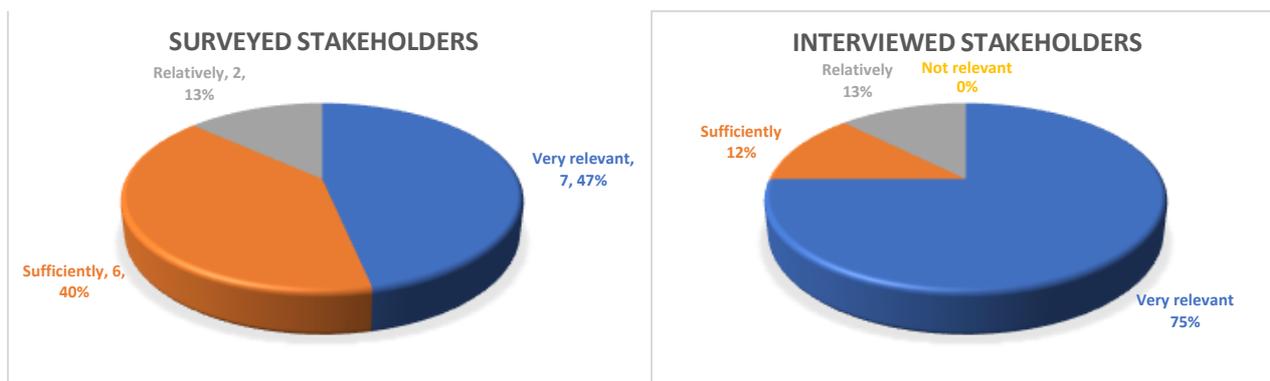
- It was found as well that contracting outsourced management in HQ for the project was not the best practice, even if, in this case, there were no alternatives, because of the limitations posed by the funding mechanism used.¹⁰ The UNODC’s expert’s structure in HQ and Country Offices could have been a better source for managing, conducting and implementing the project. This would have made the implementing structure simpler as well, the process more efficient, and existing capacities would have been better exploited.

In terms of the second question of this criterion - i.e., to what extent are the outputs, outcomes and objective of this project relevant internationally and to recipient countries? – it can be concluded that the project’s outputs, outcomes and objective were *very* relevant internationally *and* for recipient countries.

Internationally, achieving a consensus on the definition of IFFs and a general agreement on the statistical framework amongst experts and all relevant agencies involved in the process (IMF, World Bank, OECD, European Commission, UNECA, representatives of NSO’s, representatives of Financial Institutions and FIUs, Academics and Experts, relevant NGOs, etc.) was a major, very important accomplishment. Not only because of the importance of the issue for combating crime and achieving a sustainable development with more justice, but also because of the complete lack of agreement in this field existing before and the difficulty and complexity to attain it. Having found this consensus is a breakthrough and fundamental underpinning event for all future developments in this area.

Locally, although the project was generally found very relevant as well, it was also found that countries showed more interest in the methodology as a tool for calculating the real size and value of the illegal markets rather than as a tool for estimating the IFFs associated to those markets¹¹; in some other cases it also happened that they did not find the exercise as a priority *now*, because of a lack of institutional capacity, sufficient data, sufficient political will or a leading agent to conduct the process.

Figures 2 and 3 show how interviewed and surveyed stakeholders answered this question about the relevance of the project for target countries:



Figures 2 and 3. Opinions of interviewed and surveyed stakeholders on the relevance of the project for target countries.

¹⁰As mentioned before, the DA funded projects pose certain limitations in the use of resources. In this case, no staff can be hired for the long-term management of the project. Therefore, even if this observation of the advantages of having done it differently was expressed by various stakeholders, in this particular case, it was impossible to do so.

¹¹Which is not incompatible with the final objective of the project, for measuring the size of the market is the first step to measure the volume of IFFs.

The second part of this question – i.e., to what extent are the outputs, outcomes and objective of this project relevant to the mandates of involved agencies – was asked to UNODC staff interviewed and analysed through secondary sources.

As previously mentioned, it was found that the project is also highly relevant to the mandates of the agencies in charge and to the fulfilment of the SDG 16.4. It helped accomplishing the task given by the Inter Agency Expert Group of the SDGs (IAEG-SDGs) to UNODC and UNCTAD to develop an appropriate methodology to measure IFFs that could be used by national statistical authorities. The project not only supposed a strong cooperation between UNODC and UNCTAD but also enhanced the regional presence of the Centre of Excellence in the region and the role of COCOL in Colombia.

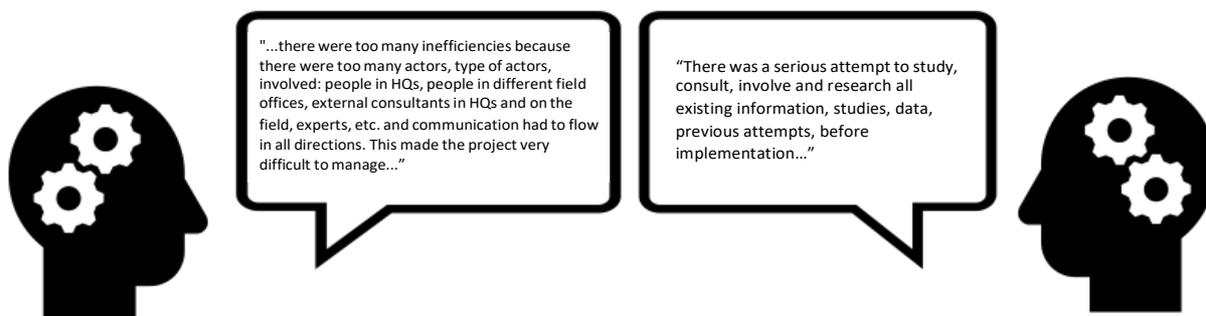


Diagram 3. Illustration of some stakeholder’s opinions on the design and relevance of the project

Finally, it was also found that the project’s need was sufficiently and strongly based on evidence (research, studies, previous attempts to measure IFFs).

Experts praised the way the whole exercise for defining the conceptual framework for the statistical measurement of the indicator was conducted, for they highly recognised UNODC’s and UNCTAD’s effort to include all kinds of relevant actors, for making the exercise of analysis, debate and interchange of ideas and opinions truly inclusive, multidisciplinary, open and transparent. They thought all relevant actors that had a say in the subject were considered and included. They especially emphasized the importance of having included representatives of the government institutions of participant countries in the discussions and not only including experts and academics, for this forced the process towards a more ground based view.



Figures 4 & 5. Surveyed stakeholders’ opinions on the relevance of some outputs of the project.

Experts and public officials surveyed were also asked if a) they found the expert meetings, workshops and/or seminars they attended about IFFs’ methodology and IFFs types needed or relevant for the organization or (academic) institutions where they worked, and b) if they found needed or relevant the document

Conceptual Framework for the Statistical Measurement of IFFs. As can be seen in Figures 3 and 4 most of them found those products either very needed or fairly needed by their institutions or organizations.

SUMMARY - RELEVANCE

The project was regarded as highly relevant in terms of achieving an international consensus on the conceptual definition of IFFs, and sufficiently relevant in target countries, where engagement with the project's objective of building greater capacities to measure IFFs still needs to be reinforced.

The design of the project and the logic of the intervention presented important challenges for the efficient and effective implementation of the project.

The main challenges were a) expected impact was too ambitious; b) not all risks were properly assessed or identified; c) the strategy of implementation of the project itself presented difficulties and needed to be importantly modified during implementation – especially in regard to the lack of engagement and expected involvement of NSOs.

EFFICIENCY

EVALUATION QUESTIONS:

1. To what extent have the resources and inputs been converted to outputs and outcomes in a timely and cost-effective manner?
2. What aspects of efficiency could be improved in the future in similar projects?

The efficiency of the project's implementation presented various weaknesses due to the short time initially assigned for the achievement of expected outcomes and impact, to the long time it took for the development of the conceptual framework, to the high complexity of the management structure (Diagram 2), to the limitations identified at the design level, especially in terms of the lack of expected involvement of the NSOs at the national level, and to limitations on hiring permanent staff for the management of the project, implicit to the funding mechanism used. Adding to all previous elements, other important challenges were faced during the pilot projects' implementation and, finally, the COVID-19 pandemic made it necessary to cancel the last regional seminar and made difficult the implementation of pilot studies.

Fortunately, in 2019, the project was granted an extension, which gave more time for the accomplishment of its goals. Nevertheless, some of the last products and activities are not yet finalized. An executive summary of the results of pilot studies was presented on the 25th of March 2021¹² and the final version of the reports on the pilot studies, translated to English, is expected to be ready by May of 2021.

It should be said, though, that the perseverance and determination of the HQ's team to achieve an agreed upon Statistical Framework (as a joint effort with UNCTAD within the Task Force) *and* of the CoE team in the field in terms of the pilot projects (with the support of COCOL in Colombia), were the most valuable and commendable assets for having achieved what could be achieved: an agreed upon framework and some solid IFF measurements.

¹² Once the final version of this Report was under revision.

In conclusion, it was generally found that the resources and inputs have not been converted to outputs and outcomes in a timely and cost-effective manner. The budget assigned for the project was sufficient for the activities achieved, but not enough if training courses and national workshops would have taken place. The main constriction for an efficient implementation was time: two years ended up being too short a time for all of the expected outcomes. Some stakeholders found that the extension of two years of the project had been *just* enough, some others found that even these (almost) four years would have not been sufficient to accomplish all that was initially set as a goal.

When asked why inputs were not converted into outcomes and outputs in a cost effective manner most of the reasons given are the ones already explained (related to the challenges posed by the project's design), but some others were: the issue of developing a consensus on a statistical framework to measure IFFs was too novel, too complex and too difficult to achieve in such a short time (it took a lot longer than initially expected); this same complexity and difficulty of the issue made the counterparts to take a lot longer than initially foreseen to understand, own the project and become engaged; this same novelty made it very difficult to find local experts to help with the pilot project estimations.

Another important challenge faced was that the implementation of the guidelines and the adaptation of the methodologies to the local realities were highly depending on data availability and the data collection process that could be effectively implemented in each country. These activities were probably the most significant parts of the process of each pilot study and they determined if specific pilot activities could be conducted or not.

In relation to the efficiency of the pilot projects' implementation, it is worth mentioning the experience in Colombia, which was in many ways different to the one given in Ecuador, Mexico and Peru. When the project started it was thought that CoE would be in charge of the four pilot projects with the help of a consultant in each target country. Nevertheless, as the UNODC Office in Colombia is the biggest national office in the region and has a long-standing trajectory of good working relations with the government, it was decided they should be in charge of the project in Colombia – that is, COCOL had a group of experts on the field that were more qualified, better equipped and better interconnected with national institutions than any external consultant.

Taking advantage of the long standing relation with their counterparts, the Colombian team supported the creation of an inter-institutional articulation, coordinated by the Integrated System for the Monitoring of Illicit Crops (SIMCI) – which is itself a long standing successful project of COCOL, institutionalized within the Colombian government, for monitoring illegal cocaine plantations.¹³ This interinstitutional work group, with representatives of various government agencies, including the National Statistical Office of Colombia, DANE, created a particularly efficient model of work for this particular project.

Of course, this structure of support and expertise from UNODC is absent in the other targeted countries, especially in Ecuador and Peru, and an analogous space for articulation was difficult or impossible to recreate – especially after the scant interest shown by the national statistical offices in appropriating the intervention in those countries, and this required additional work of direct and biliteral coordination by the CoE of Mexico. But the Colombian experience sets precedent of a good practice that, with more time and gained experience, might suggest a way of working with government institutions, integrating NSOs from the beginning, through a different strategy.

Finally, when asked what aspects of efficiency could be improved in future similar projects, the most important and shared answers were the following:

- In general: more time; to be able to have staff running and supervising the project throughout the whole process; to make the process of contracts more efficient (quick) and contracts more permanent; to have agreed a compromise of involvement and engagement with the countries and

¹³ <https://www.unodc.org/colombia/es/simci/simci.html>

its relevant institutions before beginning and to involve *all* actors from the beginning on, especially field offices and local technical experts.

- For the pilot projects: to have strong leadership in the region where you are working or having involved the country offices in each country with an expert in charge; to search for and select *beforehand* proper candidates as consultants, with the required knowledge and capacities; more resources for capacity building, to sustain the results of the project in the countries and to create a regional dimension; to define a single strategy to be followed by all countries involved.

SUMMARY – EFFICIENCY

Resources and inputs could not be converted into outputs and outcomes in an efficient manner because most activities took much longer than expected.

The main limitations for an efficient implementation of the project were: the novelty, complexity and difficulty of the issue; the short time assigned to fulfil the project's objective and expected outcomes; limitations to hire staff or management more permanently; the highly complex management structure for implementation; the lack of expected involvement of NSOs as strategic counterparts.

COHERENCE

EVALUATION QUESTIONS:

1. To what extent has the project delivered its interventions complementary and in coordination with relevant stakeholders at the national level (including national statistical offices, line ministries and financial information units)?
2. To what extent were appropriate partnerships established and maintained with national and international experts and with partner UN Agencies on the subject-matter to develop the statistical methods?

The project's implementation was highly coherent. That is, it achieved a significant articulation, complementarity and coordination with relevant stakeholders at the national level resulting in positive synergies with their existing lines of work. This happened despite the already mentioned fact that the NSO's of targeted countries did not assume the leading role on the implementation of pilot studies.

Partnerships established on the field and with international experts have all been praised as strong and highly productive and have been maintained. Collaboration in between UNCTAD and UNODC was strong but limited to the development of the methodology. ECLAC was not involved in the project, as planned in the PD, for they decided not to participate. Collaboration between UNODC's HQ and Coe was good and fluent, but collaboration between CoE and COCOL was limited.

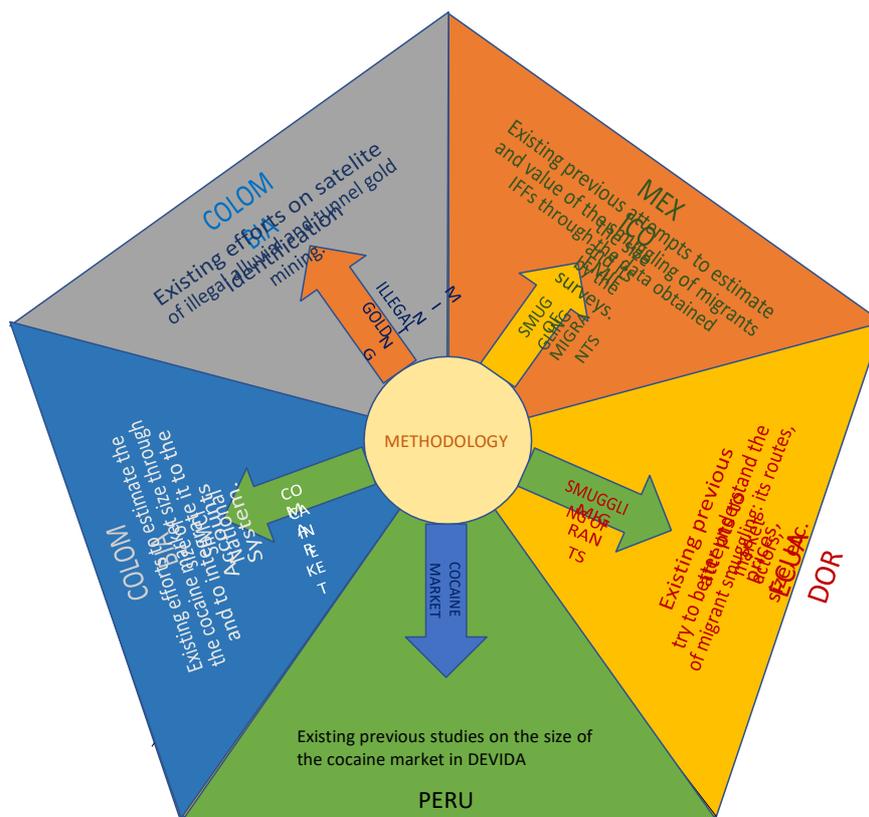


Diagram 4. Synergies with existing efforts to understand and measure illegal market sizes in LA

The project not only *delivered its interventions in coordination with relevant stakeholders at the national level* but also *complementary* to other existing efforts, activities or programs in their field of work, organizations or institutions. Coordination and synergies existed with those countries, institutions and fields of work where previous attempts to estimate the size of specific illegal markets were already present: 1) In Colombia for illegal gold mining, 2) in Colombia as well for the size of cocaine market and its integration in the National Accounts System; 2) in Mexico for the smuggling of migrants and associated IFFs; 3) In Peru for cocaine market size and value and 4) in Ecuador for the smuggling of migrants’ market – see Diagram 4.

Even if the UNODC’s collaboration and coordination with authorities already working on these issues is perceived by stakeholders as very positive (as shown in Figure 6), the collaboration could be extended and enhanced with capacity building or specific/targeted financing.

In relation to existing international efforts to define and measure IFFs, there was a commendable effort to include all international institutions, organizations and academic experts working on the field or with previous efforts and attempts to define IFFs, providing positive synergies for the work of experts.

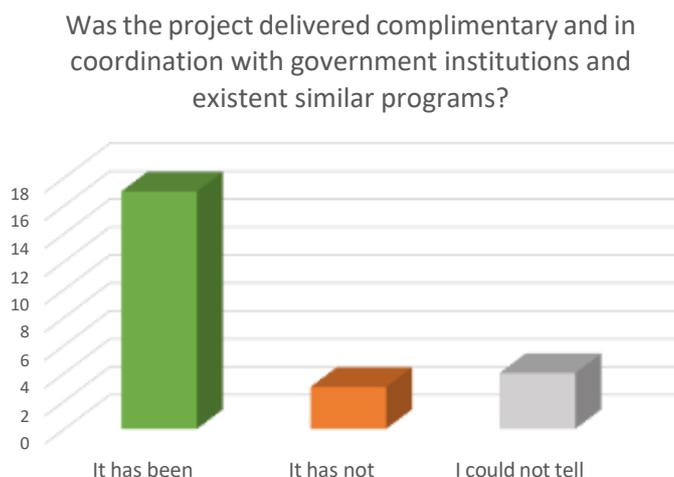


Figure 6. Synergies of the project with existing activities locally according to interviewed and surveyed stakeholders

A good partnership was established with experts, other UN Agencies and government institutions. Collaboration with experts, especially within the Task Force, has been particularly productive and strong. The joint work between the IMF, the OECD and UNCTAD (with UNODC) on the definition of IFFs related to tax evasion could represent an important side product of the success of the creation of this Task Force.

Collaboration with UNCTAD was very positive, although specifically limited to the work done to define the Statistical Framework (the expert meetings of Vienna and Geneva, and the constitution and workings of the Task Force). It was agreed early during the project’s implementation that once the statistical framework was developed and agreed upon, UNCTAD would dedicate its efforts to the development of guidelines for IFFs related to illegal or illicit tax and commercial practices (outside the frame of this specific project), and UNODC would take IFFs related to criminal activities or markets.

In the case of ECLAC, which was a UN partner organization considered within the PD, cooperation did not happen, because it did not participate in the project.¹⁴ ECLAC, according to the PD, “... as the regional arm of the UN contributing to the economic and social development of Latin America and the Caribbean, [would] provide expertise related to its long-standing tradition in measuring, monitoring and interpreting illicit and informal activities, especially in the context of national accounting”.¹⁵ This was an important input, but was successfully taken over by the Centre of Excellence in Mexico.¹⁶

¹⁴ ECLAC was invited to participate, and this organization named a focal point. But, for reasons unknown, they did not attend the initial meetings nor responded to further communication. The ET tried to contact them to ask what had happened but received no reply.

¹⁵ *Project Document Draft, 11th Draft of the Development Account*, p. 5

¹⁶ The risk of experiencing difficulties with interagency collaboration was not identified in the PD and, therefore, no mitigating actions were contemplated. On the other hand, the PD defined very loosely the responsibilities of each of the partner organizations and this might have influenced on this outcome.

SUMMARY – COHERENCE

The project delivered its interventions complementary and in coordination with existing similar efforts and with relevant stakeholders at the national level with good results in all target countries.

Appropriate partnerships were established and maintained with national and international experts and with UN Agencies on the subject matter of developing statistical methods to estimate IFFs. Cooperation in these alliances was highly praised.

Cooperation with UNCTAD was very positive but limited to the development of the Statistical Framework; cooperation between HQ and CoE was strong; cooperation between CoE and COCOL was limited and ECLAC did not participate in the project.

EFFECTIVENESS

EVALUATION QUESTIONS:

1. To what extent did the project reach the intended outcomes and main activities set out in the project document?
2. What adjustments, if any, were made to the project activities and modality, as a direct consequence of the COVID-19 situation or in response to the new priorities of Member States?
3. To what extent did the adjustments allow the project to effectively respond to the new priorities of Member States that emerged as a result of COVID-19?
4. How did the adjustments affect the achievement of the project's expected results as stated in its original results framework?

The project was highly effective, despite all problems mentioned in terms of its efficiency. Most of planned activities and outcomes have been fulfilled with good results. Only one important outcome – and its associated activities – could not be reached: a proper enhancement of local capacities to measure IFFs through training modules and national workshops.

This negative outcome was partly due to the delays caused by the efficiency challenges faced but also as a result of the pilot project nature of the whole exercise, which meant that those training modules and national workshops could not be prepared without the estimates of the pilot studies being ready. As the whole implementation process was significantly delayed preparation of these modules could not be achieved.

The project reached most of its activities and outcomes. As can be seen in Annex V, the PD established four indicators to monitor progress and the results of the project activities and expected outcomes. The PD also defined 8 activities (5 for EA1 and 3 for EA2).

By the time this evaluation was conducted, most of activities planned had already been done, except for A 2.2, which is the report containing the results of all four pilot studies (due on the 25th of March) and the final versions of the documents containing the pilot project's results (due on May 2021). Two other activities were cancelled, which were A 1.4 – the final workshop to discuss the results of these pilot projects and next

steps to assist national statistical offices (cancelled because of the COVID Pandemic)¹⁷ and activities A1.5 and A2.1, which were the training modules (cancelled because of delays, as previously explained).

Stakeholders mentioned, in this respect, that the decision to cancel training modules was not only a matter of time and budget restrictions due to all the changes done to the project's strategy of implementation, but also to the pilot nature of the whole project for all actors involved in the process (including UNODC staff and experts) were learning from experience. Therefore, the results of the pilot projects were needed so that the workshops and modules could be prepared; otherwise it was impossible to do the capacity building properly.

Following progress through the project indicators, indicator IA1.1, which was stated as "New statistical methodology to estimate IFF discussed and validated in Expert Group Meetings, with the participation of representatives of national statistical offices, international agencies and selected experts from a wide range of developing and developed countries", has been fulfilled. The statistical methodology to measure IFFs has been published by UN in its webpage in October 2020.¹⁸

The second indicator IA1.2, "Number of pilot countries producing preliminary IFF data on selected IFF typologies according to the new methodology", has also been fulfilled, even if it is imprecise on what its target was. As the PD established that four countries would implement pilot studies, it was very successfully achieved for all four countries produced preliminary IFF data according to the new methodology, although not on all selected IFF typologies. Expected data was produced in all four selected countries on three different IFF typologies: IFFs related to cocaine market in Colombia, Peru and Ecuador, smuggling of migrants in Ecuador and Mexico and traffic of drugs (various types) in Mexico. The documents with this preliminary data are under revision in each of the four countries, so this is an ongoing activity not fully finalized.

Taking into account only indicators IA 1.1 and IA 1.2, then, Expected Accomplishment 1 has been almost completed – in terms of the measurements established by the project.

Regarding EA2, data for the indicator IA2.1, "The final report is used as reference source for the measurement and analysis of IFF in target countries and internationally", is not available yet for this evaluation, for the final report is not ready. On the other hand, there is no specific target for this indicator, and therefore, it is also unclear how many views and downloads will confirm a sufficiently good accomplishment of this achievement.

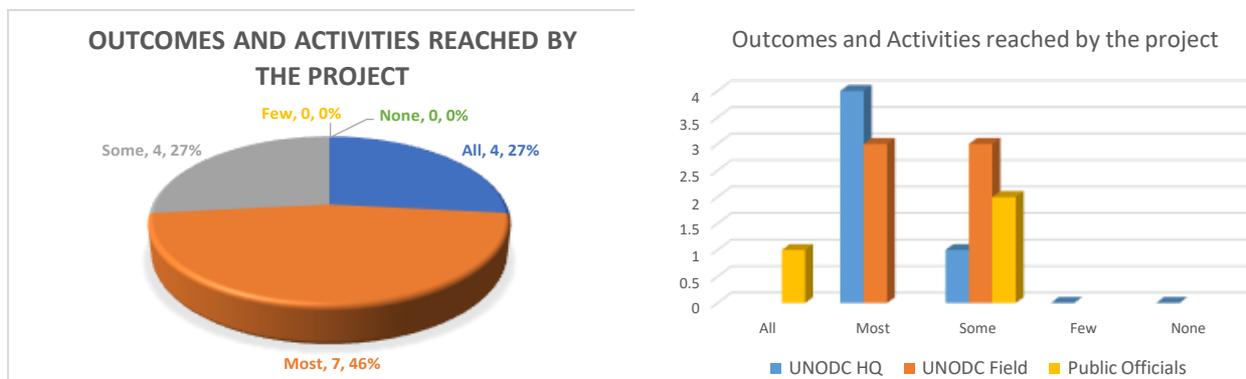
Indicator IA2.2, which stated "80% of policy makers participating in regional seminar indicate increased understanding on IFFs", had already been measured. In the Annual Progress Report of 2018, it was mentioned that a survey was conducted to evaluate the experience of the "Joint Regional Technical Meeting on Measuring Illicit Financial Flows Related to Criminal Activities for SDG Indicator 16.4.1" organized in November 2018 and that 100% of those who answered the survey (59% response rate) "expressed a strong appreciation of the meeting". The number of this result is good, but the survey did not directly address the question posed by this indicator, which was "an increased understanding of IFFs". Two of the questions of this survey, though, indirectly answered this question: all participants agreed or highly agreed that the regional meeting "Provided useful information on the challenges of measuring IFFs" and almost all of them agreed or highly agreed that it "Provided relevant concepts, methodologies and tools for measuring IFFs". Therefore, it can be concluded that the aim of the indicator was achieved.

In general, then, through the project indicators, it can be said that both EAs were fulfilled, but with challenges. This is reflected as well with the information gathered during the data collection phase, where

¹⁷ The regional seminars that did take place had some training components, with some practical exercises. Project managers tried to integrate capacity building into these activities as much as possible.

¹⁸ Conceptual Framework for the Statistical Measurement of Illicit Financial Flows, UNODC & UNCTAD, October 2020. See <https://www.unodc.org/unodc/en/data-and-analysis/iff.html>

most of stakeholders considered that *most* of activities and outcomes were fulfilled *but* not all of them. This means that stakeholders in general perceived good results.



Figures 7 and 8. Stakeholders perception of the accomplishment of outcomes and activities (total and by stakeholder type).

Nevertheless, as can be seen in Figure 8, perspective on the project is important, for the only group of stakeholders that perceived that *all* outcomes and activities were fulfilled were the experts. Public officials and UNODC staff, either in HQ or in country offices, perceived that most or only some activities and outputs were reached.

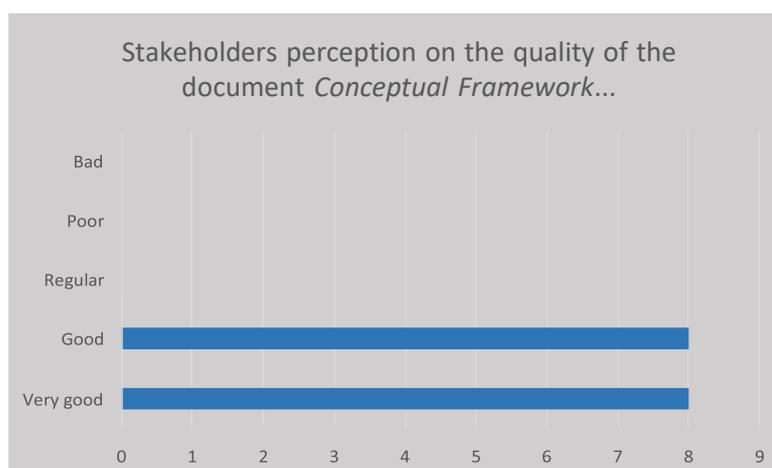
The outputs and outcomes that were not reached were the following:

- A methodological definition of IFFs related to illegal and illicit tax and commercial practices (UNCTAD).
- A methodological framework for calculating IFFs related to the income management of criminal activities.
- Ownership of the methodology and its use in target countries
- Capacity building in target countries
- All estimates foreseen in pilot projects (no estimates for trafficking of persons could be done).

However, the evaluators consider, as perceived by stakeholders, that the project’s achievements were *beyond what was realistic to expect*. It was stressed by most of stakeholders that, before the project started and even when well advanced in its initial stage, achieving a conceptual framework with an international consensus was perceived by many as impossible and accomplishing some estimates even less feasible.

The document *Conceptual Framework for the Statistical Measurement of Illicit Financial Flows* was found to be a very good or good enough tool for its purpose, and very relevant or needed for target countries - see Figure 9 and Figures 4 & 5 in the relevance section.

In some of the words of the surveyed public officials: “The document is relevant in as much as it is the first viable approach to estimations of IFFs” or “It is a good starting point for the analysis of IFFs



and the achievement of a SDGs indicator.” Figure 9. Opinion of interviewed stakeholders about the document *Conceptual Framework for the Statistical Measurement of Illicit Financial Flows*.

The adaptation of the methodology through the guidelines for each specific criminal activity represents also a successful output or tool even if, at national level, substantial adaptations were needed. The team involved in HQs working on the initial version of the guidelines was concerned with developing a product that could be sufficiently general as to become part of a world-wide methodology and sufficiently flexible to be adapted to the specificities of each local reality. But, according to the teams that worked on the field, this same effort made these initial versions too general” and “ideal” to be used pragmatically and, therefore, it took a long time to refine and adapt each guideline to local realities. Given the pilot nature of this project this was perhaps inevitable during this first exercise. But this could be different for future similar projects if national technical experts are involved in the whole process, from the beginning – in this project, relevant institutions were not involved in the teams developing the methodological frameworks early on.

On the other hand, this same condition gave local consultants and local technical experts more freedom to develop a more tailored adaptation of the methodology to their own realities and the particularities of each criminal activity in those realities. This shows that the “bottom-up” approach chosen from UNODC for the development of these guidelines was right but also that it needs to be applied more thoroughly by including the technical experts’ view earlier on.

Pilot studies were also very successful outcomes, where estimations could be done – mainly, when all relevant information needed could be found. In those cases in which this did not happen, it was found that, nevertheless, important achievements were made by providing governments with a tool to better understand the overall view of the “value” involved in the criminal activity studied and by pointing out where and what kind of information is missing to be able to achieve estimations on the amount of IFFs associated with those criminal activities. For a more detailed product analysis of each one of these outcomes please go to Annex VI.

Finally, within this *criterion*, the evaluators included a series of questions related to the way the COVID-19 Pandemic had affected the project’s results. It was found that the Pandemic affected the project in two ways: A) By cancelling all activities that implied gatherings of physical presence. For example, as mentioned before, the last regional meeting where results of the project would be presented was cancelled, as were cancelled all project missions which implied travelling and visits. B) By improving efficiency in some respects and opening more doors for an easier and more expedient communication – except for those cases in which high level technical discussions were necessary (in these latter cases, stakeholders still think that face to face meetings are more effective).

SUMMARY – EFFECTIVENESS

Most of planned activities, outputs and outcomes were accomplished, except for the planned national workshops and training modules.

The achieved outcomes – Expert and Task Force Meetings, Regional Seminars, the document *Conceptual Framework for Statistical Measurement of IFFs*, the specific guidelines for application of the Conceptual Framework for each illegal market and the Pilot Project Studies – were *all* considered relevant, good enough for their purpose, successful and good or very good quality activities, products and outcomes.

The COVID-19 pandemic altered some of the planned activities but had no major effect on the project’s outcomes.

IMPACT

EVALUATION QUESTIONS:

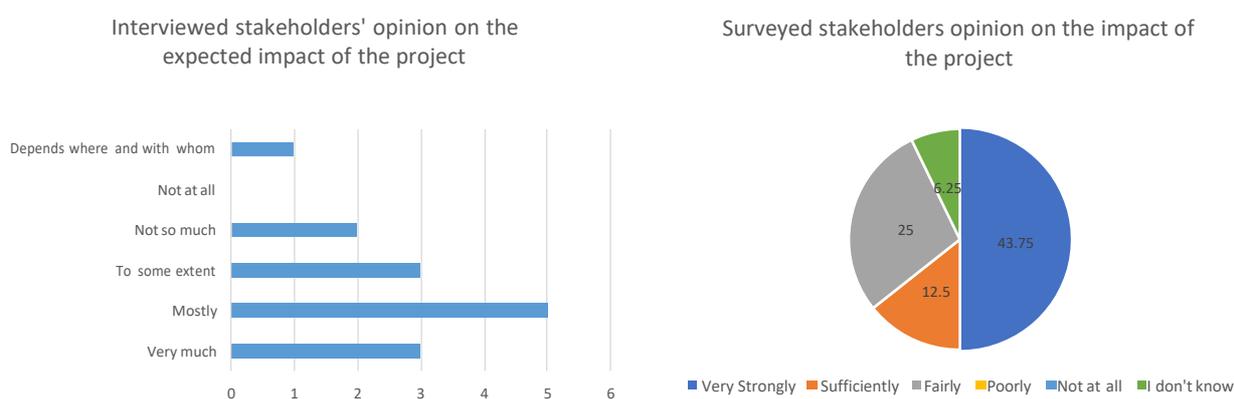
1. To what extent did the project contribute to increase understanding and national capacities to measure and monitor illicit financial flows in target countries?
2. What were the facilitating and hindering factors in generating impact?
3. Are there any results achieved beyond what was expected of the project?

The project achieved a relative impact, *in regard to expected accomplishments and the overall project objective set in the PD*. That is, it definitively contributed to an increased understanding of IFFs (internationally *and* in target countries) through the development of the *Conceptual Framework for the Statistical Measurement of IFFs*, but it only partially enhanced the national capacities of target countries through: a) the development of this methodology; b) the provision of the guidelines and tools for its application in the measurement of IFFs associated to four criminal activities – smuggling of migrants, illegal gold mining, drug markets and drug trafficking and trafficking of persons – and c) with the results of pilot studies estimates for three of those four criminal activities. It did not enhance further those local capacities with training modules and national workshops to transfer all knowledge acquired during the pilot implementations.

Nevertheless, even though the capacity building activities of the project could not take place, enough accomplishments were obtained as to properly guide local government institutions to, with their own efforts, increase their understanding and capacities to measure crime related IFFs.

For these reasons, after evaluating the logic of the intervention, all actions taken, and all the results achieved, it can be concluded, through contribution analysis, that there have been substantive advances towards the expected impact, *relative to what could realistically be achieved* – that is, given the pilot nature of the whole project, the time and resources available, as well as the existing capacities, resources, data and political will in target countries.

The perception of impact of people Interviewed and surveyed is very positive, confirming that most of what was expected by stakeholders as an impact of the project was fulfilled, as can be seen in Figures 10 and 11.



Figures 10 and 11. Stakeholders' opinion on the impact of the project

It was found that the *Conceptual Framework for the Statistical Measurement of IFFs* was considered the greatest achievements of the project for various reasons: it achieved international consensus; its distinction in between income management and income generation is of great importance for calculating IFFs; it definitively advanced a far better understanding of IFFs and its types; *and* it generated the possibility to

actually achieve estimates of IFFs for the first time, for various types of criminal activities, within the framework and language of National Accounts statistics.

In the PD there are two indicators that might allude to impact indirectly, but neither of both is well defined, as discussed in the previous Effectiveness section: Indicator IA 1.2, which states “Number of pilot countries producing IFF data on selected IFF typologies according to new methodology”, and indicator IA 2.1 which states “The final report is used as reference source for the measurement and analysis of IFFs in target countries *and internationally*.” The first indicator alludes to impact in as much as IFFs estimations could be successfully achieved, and this sets a precedent for all future efforts in this direction for the countries involved and for other countries elsewhere. The second indicator also points towards impact in as much as the main product of this project is used afterwards as a reference for future estimations worldwide. Unfortunately (as previously said), this indicator has no specific goal as to know when or how many number of views would be desired to evaluate impact, and there is no data yet available (nor will there be for a while) as to have an approximate idea of how much this document will be used.

On the other hand, it was also found that the hindering factors to achieve impact in target countries are: political will, insufficient institutional capacities, limited existing information, lack of resources to improve data availability, and the absence of leading actors within National Statistical Offices to take over the project and to institutionalize the measurement of IFFs.

Finally, it was found that *there were* results achieved beyond what was expected of the project:

- a) The reclassification of indicator 16.4.1 from tier 3 to tier 2 on October 22nd of 2019. This reclassification means the indicator is conceptually clear, has an internationally established methodology and standards are available, even if data is not regularly produced by countries.
- b) The report done by the Department of Migration Policies of the Ministry of Interior of the Mexican Government, which is an estimate of IFFs associated to the Smuggling Migrants in the southern frontier of Mexico, using the developed methodology, but conducted and elaborated by this government institution on its own. This study is a tangible asset of a positive impact of the project in a beneficiary counterpart.¹⁹

SUMMARY – IMPACT

Impact was achieved in a differentiated manner. In terms of having developed a *Conceptual Framework for the Statistical Measurement of IFFs*, its impact – internationally – is undeniable, for this tool has effectively helped to increase the understanding of IFFs, its types and its possible ways to measure them in a global scale.

In terms of the capacity built in target countries for effectively achieving the measurement of IFFs, impact was sufficient but not complete – i.e., countries were left with good tools and guidelines, a better understanding of IFFs and a better sense on what needs to be done onwards but this might not have been enough to ensure capacity enhancement.

¹⁹ “Caracterización de los flujos financieros asociados al tráfico ilícito de personas migrantes provenientes del Triángulo Norte de Centroamérica”, *Contextos; investigaciones sobre movilidad humana*, Unidad de Política Migratoria, registro e identidad de personas, Secretaría de Gobernación, México 2020, 46 p.

SUSTAINABILITY

EVALUATION QUESTIONS:

1. To what extent did the project contribute to building capacity to measure IFFs in pilot countries?
2. To what extent are the achievements of the project likely to continue after the project ends?

Sustainability was sufficiently achieved, despite the fact that, as a consequence of not being able to properly enhance existing capacities to measure IFFs at the national level, the project did not fully accomplish its planned objective to reinforce the sustainability of its efforts. Target countries are left with enough tools and knowledge as to be able to sustain the effort of the project on their own, and therefore, it seems likely that targeted countries will build on what has been achieved.

Analysing the project's outcomes and documents and comparing and contrasting this information with the stakeholder's opinions (through the interviews and surveys) it can be concluded that the project's effort to build capacities in the target countries to measure IFFs could not be completed – for, as we have already said, the specific capacity building activities planned in the PD did not take place – and therefore, that this capacity building was only partially achieved.

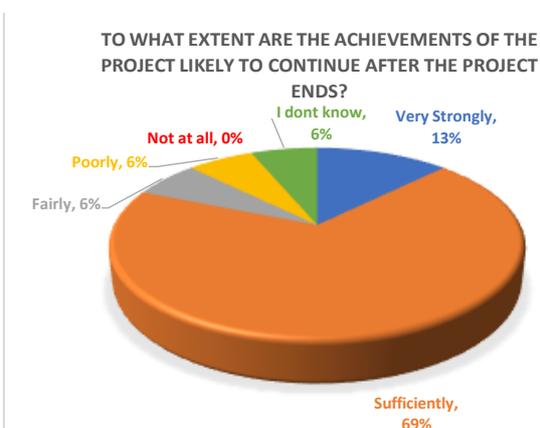


Figure 12. *Interviewed Stakeholders'* opinion on the sustainability of the project's results

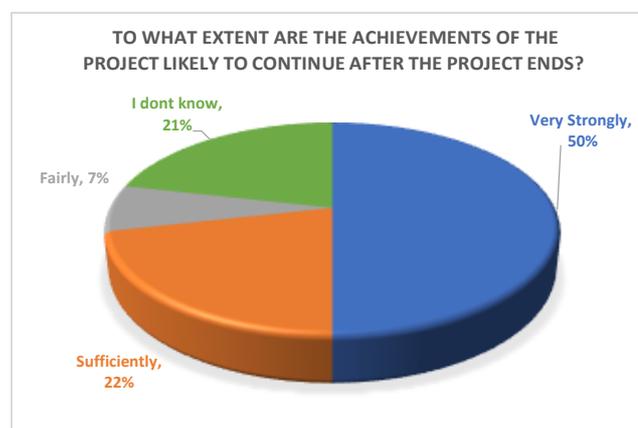


Figure 13. *Surveyed Stakeholders'* opinion on the sustainability of the project's results

Nevertheless, this same analysis shows that this partial achievement might *sufficiently* ensure sustainability for, as explained in the previous section (*Impact criterion*), the project did contribute to building capacity to measure IFFs in pilot countries. This was done through the development and transfer of the *Conceptual Framework for the Statistical Measurement of IFFs*, the development, adaptation and transfer of the specific guidelines to measure IFFs for each criminal market, through the completion of the first estimations of IFFs in three of the four markets studied, and the delivery of those results to each target country. These different tools and results can sufficiently ensure the project's sustainability and it was expressed like that by most of stakeholders – see Figures 12 and 13.

Despite the facts that the estimations were not done by a government institution, as expected – specifically the NSO's of each country – and that no training modules to enhance what had been learned could take place, there are clear signs that in each of the four countries intervened sufficient capacities were built, or sufficient knowledge was generated as to move forwards in their own specific efforts to eventually be able to measure IFFs on their own:

- In Mexico, this new methodology and its tools were completely and successfully transferred to the Ministry of Interior for calculating IFFs related to the Smuggling of Migrants. As previously mentioned, this institution already produced its own document with these estimations.
- In Colombia, existing efforts to calculate the size of the cocaine market were already very advanced and were being done within the framework of the National Accounts. Therefore, it is the only country (so far) in which the NSO is willing to take over the exercise and start calculating IFFs associated to this market, eventually, through the use of the tools developed by the project.
- In the case of Illegal Gold Mining, the developed study is far from being able to calculate associated IFFs but has set a precedent to move towards this goal that is very likely to advance, for there is sufficiently strong interest in the country, political will and joint efforts with COCOL to make it happen.
- In Peru it is not the NSO that will try to take over the exercise, but a different government institution, the National Commission for the Development and Life without Drugs (DEVIDA) with the mandate to calculate the size of the cocaine market. This other government institution had also an advanced effort in calculating this criminal market size and, even if they still need to complete the information needed and reinforce the indicators necessary for this attempt, they found the tools handed over by the project greatly useful to advance their efforts and, eventually, be able to measure the IFFs of this market.
- Finally, in Ecuador, in the market of the Smuggling of Migrants, there already existed efforts and political will to better understand the whole market. There is still a lot of work to be done, but the project has clearly pointed out what is missing and how to move forward. For the cocaine market, additional work is required to understand the quantities of cocaine imported by Colombia and other countries, as well as the role of the actors, but potentially, with some proxy, the estimate could be produced relatively quickly.

Taking all this into account and acknowledging that the project has already set off the interest in other countries to continue testing the methodology and developing specific guidelines for other markets in other regions and countries, it is clear the effort shows sufficient signs of sustainability.

SUMMARY – SUSTAINABILITY

The project could not do all that was planned to ensure sustainability.

Nevertheless, there is a great probability that the project's achievements will be sustained after the intervention. The tools developed and transferred by the project, the estimations achieved, and even the exercises done where estimations could not be achieved, have left clear paths pointing towards what is next to be developed and done.

HUMAN RIGHTS, GENDER EQUALITY AND LEAVING NO ONE BEHIND

EVALUATION QUESTIONS:

1. How has the project ensured that no one was left behind? Including a focus on human rights, gender equality, victims of terrorism, vulnerable groups.
2. What could the project have done better to focus its interventions be more inclusive and human rights based?

The project did make an effort to respect human rights, be inclusive and procure gender equality throughout its implementation. It did not include, though, a gender and vulnerable group perspective within the topics of its products or in its indicators of achievement.

This was probably the result of the absence of gender/vulnerable groups analysis in its formulation and design and of a gender/vulnerable groups strategy in its implementation – it might have been necessary to include gender experts, especially women, on the planification-design of its activities.

It was found that the team in charge of the project did their best effort to ensure no one was left behind, and to achieve gender equality and inclusion of vulnerable groups, as well as respect of human rights, in all of the project activities.

Through the information gathered through different means, it was found that a noticeable effort had been made to integrate groups respecting the principle of gender equality, in as much as it was possible, in all expert meetings and regional seminars even if, in the field, there is still a disparity of gender amongst existing experts and specialists.

On the other hand, it was also found that integrating a focus on human rights, gender equality, victims of terrorism and vulnerable groups into the end products of the project – i.e., the estimations of IFFs related to each of the four criminal markets studied – was a big challenge and in most of cases it could not be achieved.

One of the main challenges came from resolving the dilemma of identifying indicators that could include a gender or vulnerable groups perspective in each of those markets that could be relevant for calculating IFFs. As the final result of indicator 16.4.1 is a monetary amount, these perspectives were not easily justified as part of the methodology to calculate the final number.

In the estimations of some specific criminal activities, as in the smuggling of migrants or trafficking of persons, including statistical figures with gender or vulnerable groups' differentiations might be relevant to better understand the nature of those illegal markets – especially because gender or vulnerable groups differentiation do matter in terms of the amount of profit generated – but in both cases, no information exists yet (at least in target countries) as to be able to properly conduct studies with these perspectives.

In conclusion, it was found that, if gender experts had been included for the strategic planification of the project, these issues might have been solved differently and with a better result. For example, the PD shows an of absence of indicators and goals including a gender perspective at the level of participation in activities or within their results. This is also evident in the products: the framework does not have sections on gender or vulnerable groups inclusion. In the pilots carried out, only those on trafficking of persons mention women and girls as a particularly vulnerable group for sexual exploitation. In the data collection tools, people are not differentiated by sex: such as the number of irregular migrants, number of illegal smuggled residents, number of registered victims of human trafficking, number of victims of sexual exploitation, number of victims of forced labour, wages paid to men and women for forced labour, number of registered offenders, number of persons prosecuted for crimes of trafficking in persons, number of persons involved in the

extraction of gold and persons detained. All these variables might have had a gender and vulnerable groups differentiation to help with gender/vulnerable group analysis later on.

Despite all these areas of improvement, it should be mentioned as well that, in its general objective, the project is totally oriented to prevent and counter crime related activities, to help promote access to justice and good governance, contributing to the strengthening of the rule of law in the Latin American region and, potentially, at the global level.

SUMMARY – HUMAN RIGHTS, GENDER EQUALITY AND LEAVING NO ONE BEHIND

The project was implemented respecting human rights, procuring gender equality and leaving no one behind in all of its activities.

Incorporating these principles into the subject matter of estimating IFFs was not easy. An extra effort could have been made to include a gender/vulnerable groups perspective from the design of the project onwards that might have helped achieving a different result in this respect throughout the whole project implementation and within its outcomes.

III. CONCLUSIONS

1. Taking into account that this was an UNDA funded project of a pilot nature, and all limitations faced such as the relatively short amount of time to achieve all expected outcomes (even with the extensions granted), the challenging structure built for its implementation, the novelty, complexity and enormous scope of the project's topic, and its political and economic sensitivity, having developed a *Conceptual Framework for the Statistical Measurement of IFFs*, consistent with the System of National Accounts (SNA) and other statistical frameworks, *and* achieving international consensus on its validity, is a major accomplishment.
2. This conceptual framework has also been translated into a series of guidelines and data collection tools that have been tested for various criminal activities as drug markets, smuggling of migrants, illegal gold mining and trafficking of persons, with the first existing estimates for the first three of them in four different countries. *This is also a major achievement.*
3. Having been financed by the UNDA account on its 10th Trench, whose aim is to help developing countries to measure, monitor and report the SDGs, this whole project has to be seen as a pilot project that set the basis for all future work in the field. By establishing an internationally agreed upon conceptual framework and a methodology sufficiently solid and detailed to start measuring the IFFs associated to some criminal markets, it opens the door and sets an example of what needs to be done to further expand existing knowledge and capabilities to measure IFFs, associated with all types of organized crime.
4. The methodology has shown to be relevant for target countries not only to allow them to measure IFFs but also to increase their understanding of the nature of criminal markets and to enhance their tools to combat those criminal activities more efficiently.
5. Even if planned activities to enhance capacities in target countries could not be done, the existence of the Conceptual Framework itself, the guidelines and tools developed and delivered to target

countries, and the pilot studies' results – either if the estimates were achieved or not – can be considered themselves as sufficiently solid achievements to help the sustainability of the project's objective and to increase local capacities to measure IFFs.

6. Therefore, even if the impact of the project is relative, all that was achieved is a major step forward towards a better understanding of IFFs and its types and towards building and enhancing capacities worldwide to measure IFFs associated to criminal activities. *But more needs to be done.*
7. Most of difficulties and obstacles faced during implementation had mainly to do with the topic's novelty, complexity and wide scope, which made difficult to foresee most of the challenges faced during implementation. These are issues that need to be studied for improving future similar projects to improve efficiency, effectiveness, impact and sustainability.
8. NSOs were considered the natural strategic partner for the implementation of the project but this was not the case during implementation. NSOs sometimes lack the legal or administrative faculties to gather or produce the data needed for calculating the size and value of illegal activities.²⁰ Other government institutions with the mandate, legal attributions and jurisdiction to study, combat and prosecute these activities were, therefore, more naturally inclined to be engaged with the project and to be willing to make these calculations. To think of NSOs as the strategically relevant actor to measure IFFs in line with the SNA is correct. But a different strategy seems necessary to achieve this outcome, involving *firstly* those other institutions whose capacities and mandates make them relevant and necessary counterparts, in order to construe with them the necessary data basis that, later on, NSOs might need to integrate IFFs into their SNA.
9. The bottom-up approach to define the guidelines for each criminal market or activity producing IFFs is theoretically the correct approach but some observations of relevant stakeholders imply that it was not as thoroughly followed as it would have been needed. Local technical experts on each field pointed out that these guidelines needed of much work to be adapted to the realities of those markets and existing information, precisely because they were not sufficiently construed from a bottom-up approach.
10. Gender issues were not easily mainstreamed into the project's design and, therefore, into the project's outputs which leave open a door of opportunity to explore how this could be overcome.

²⁰ National Accounts are generally only focused on calculating the size of the market of legal activities. It is only recently that efforts are being done in some regions (as in the European Union) to incorporate some illegal markets into the system of National Accounts.

IV. RECOMMENDATIONS

RECOMMENDATION 1 – FOLLOW UP PROJECTS

ENGAGE WITH RECIPIENT GOVERNMENTS TO JOINTLY IDENTIFY FOLLOW UP PROJECTS – DIRECTED TO PROJECT MANAGERS AT THE DATA DEVELOPMENT AND DISSEMINATION SECTION OF THE RESEARCH AND TREND ANALYSIS BRANCH, AT THE UNODC-INEGI CENTRE OF EXCELLENCE (COE) AND AT THE UNODC COUNTRY OFFICES OF COLOMBIA (COCOL).

Once all results of this pilot are ready, it may be key to engage with recipient governments in order to jointly identify future potential projects (and donors) that might enhance what has been achieved, to help move forward with expected results and to further strengthen capacities to measure IFFs. Given the pilot nature of this initial project, UNODC can search for a longer-term strategy to ensure these efforts are sustained locally and in the region.

RECOMMENDATION 2 – STRATEGY OF IMPLEMENTATION

FUTURE SIMILAR PROJECTS TO DEPLOY A DIFFERENT, MORE EFFICIENT STRATEGY OF IMPLEMENTATION, BASED ON WHAT WAS LEARNED IN THIS PILOT PROJECT – DIRECTED TO PROJECT MANAGERS AT THE DATA DEVELOPMENT AND DISSEMINATION SECTION OF THE RESEARCH AND TREND ANALYSIS BRANCH (AND, AT COE AND COCOL, IF THEY HELP IN SIMILAR INTERVENTIONS IN LA).

As this is an UNDA-funded project, it is most likely that no similar projects will be conducted under the same scheme. Nevertheless, another pilot project is already taking place in the Asia-Pacific region²¹, Brazil has shown interest in applying the methodology involving its own country office, and a similar effort is being conducted in Africa by UNCTAD and ECA that can also benefit from the experiences learned in this project. Therefore, for future similar projects, it would be commendable deploying a different strategy of implementation that considers the following: a) involving Country Offices and experts in as much as possible, to take advantage of existing UN capacities and existing relations with government institutions; b) if not possible, involving a recognized national (preferably) or international expert on the field as a consultant; c) try to formalize or advance the country's engagement before implementation and involve technical experts of all relevant institutions in the whole process, from its very beginnings; d) make sure there is at least one expert in charge of the project throughout the whole process of implementation to give guidance, assistance and continuity to the project; e) make sure there are enough available resources for capacity building activities; f) keep the management structure as simple as possible.

²¹ Also funded by UNDA, project 2023K, conducted by UNODC, UNCTAD and ESCAP. See https://www.un.org/development/desa/da/individual-project-view-public/?project_id=1721&_wponnce=258b43fa0d

RECOMMENDATION 3 – LONG TERM STRATEGY TO PERFECT THE METHODOLOGY

MORE PILOT PROJECTS ARE NEEDED ELSEWHERE TO KEEP ON PERFECTING AND EXPANDING THE POSSIBILITIES TO MEASURE IFFS – DIRECTED TO PROJECT MANAGERS AT THE DATA DEVELOPMENT AND DISSEMINATION SECTION OF THE RESEARCH AND TREND ANALYSIS BRANCH (AND, AT COE AND COCOL, IF THEY HELP IN SIMILAR INTERVENTIONS IN LA).

To actually achieve greater impact, the methodology has to be tested once and again until a good enough body of experience consolidates the path to make possible estimations on IFFs for all major criminal activities affecting sustainable development. The process should be regarded as a global enterprise of capacity building. Be open to the fact that in some cases – as in trafficking of persons or illegal gold mining – the construction of the methodology needs to start almost from ground zero, and therefore, that approximations to conceptualize, “map”, distinguish and trace the whole criminal activity might be the necessary first steps before any estimations are possible.

RECOMMENDATION 4 – CAPACITY BUILDING

CAPACITY BUILDING SHOULD ALSO BE REGARDED AS A LONG-TERM ONGOING ACTIVITY TO EXPAND THE POSSIBILITIES TO MEASURE IFFS GLOBALLY – DIRECTED TO PROJECT MANAGERS AT THE DATA DEVELOPMENT AND DISSEMINATION SECTION OF THE RESEARCH AND TREND ANALYSIS BRANCH (AND, AT COE AND COCOL, IF THEY HELP IN SIMILAR INTERVENTIONS IN LA).

Building on what has been achieved so far, better strategies of implementation in future similar projects or in new follow up projects to enhance or move forward with what has already been achieved should make sure a strong component of capacity building is included, identifying clearly (beforehand), where and how this capacity building needs to be focused on: in helping the development of specific components of data missing somewhere; in enhancing an institution’s capacity to map the whole market; in helping a government to begin measuring a criminal market or construing data basis associated to that criminal activity, etc.

RECOMMENDATION 5 – INVOLVING NSO GRADUALLY

DEVELOP A LONG-TERM STRATEGY TO ENGAGE NATIONAL STATISTICAL OFFICES – DIRECTED TO PROJECT MANAGERS AT THE DATA DEVELOPMENT AND DISSEMINATION SECTION OF THE RESEARCH AND TREND ANALYSIS BRANCH, AT COE AND AT COCOL.

If new projects in other countries can be done and financed, do not assume that National Statistical Offices will take over the project or be the leading agencies to do the estimations *at the beginning*. Be aware that other government institutions might have more interest to be engaged immediately because of their mandates and legal attributions and so, engage them and involve them *firstly* and, parallelly, develop a medium or long-term strategy on how to help the country to construe the necessary internal alliances to eventually transfer this responsibility to the NSOs. These strategies might even imply recommendations on reforming existing responsibilities and legal attributions of NOSs to help them create the departments and institutional relations to be able to acquire all inputs and capacities to estimate indicator 16.4.1.

RECOMMENDATION 6 – BOTTOM-UP APPROACH FOR GUIDELINES

MAKE SURE GUIDELINES ARE CONSTRUED INVOLVING LOCAL TECHNICAL EXPERTS – DIRECTED TO PROJECT MANAGERS AT THE DATA DEVELOPMENT AND DISSEMINATION SECTION OF THE RESEARCH AND TREND ANALYSIS BRANCH (AND, AT COE AND COCOL, IF THEY HELP IN SIMILAR INTERVENTIONS IN LA).

The definition of guidelines for the estimation of the IFFs associated to each specific type of criminal activity needs to be considered a process which will be gradually perfected each time the tool is used. It is necessary to include local technical experts on each field to nurture these guidelines properly and in alignment to the realities of each criminal activity *within each country*. A bottom-up approach is certainly correct but needs to be more thoroughly assured.

RECOMMENDATION 7 – THE GENDER PERSPECTIVE

EXPLORE WAYS TO FURTHER INCLUDE A GENDER AND VULNERABLE GROUPS INCLUSION PERSPECTIVE INTO THIS KIND OF PROJECTS AND STUDIES – DIRECTED TO PROJECT MANAGERS AT THE DATA DEVELOPMENT AND DISSEMINATION SECTION OF THE RESEARCH AND TREND ANALYSIS BRANCH, AT COE AND AT COCOL.

Explore ways to include gender and inclusion of vulnerable groups perspectives into the design, strategies and topic of future similar projects, which can be valuable, and which can contribute to efforts towards gender equality and inclusion globally. It is recommended to include gender and inclusion analysis in the framework, deepening the role of women or other vulnerable groups as victims or as criminals related to illicit activities generating IFFs, so that gender and inclusion elements can be counted on when carrying out the measurements of the IFFs, starting from the disaggregation of the indicators by sex.

RECOMMENDATION 8 - FUNDING

FOR FOLLOW UP PROJECTS OR OTHER PILOTS ELSEWHERE TRY TO FIND FUNDING MECHANISMS THAT ALLOW MORE FLEXIBLE USE OF RESOURCES – PROJECT MANAGERS AT THE DATA DEVELOPMENT AND DISSEMINATION SECTION OF THE RESEARCH AND TREND ANALYSIS BRANCH (AND AT COE AND COCOL, IF THEY HELP IN SIMILAR INTERVENTIONS IN LA).

When engaging with donors and recipient governments for follow-up projects, or in future projects that might allow further testing of the methodology in other countries and other regions, it would be advisable to identify funds from sources that might allow more efficient and lasting forms of management and less restrictions in terms of time and budget. It would also be advisable to make a better use of internal capacities within UNODC.

V. LESSONS LEARNED AND BEST PRACTICES

LESSONS LEARNED

This experience showed that a transparent engagement of the countries targeted or to be involved in the project is very important to facilitate implementation. Without an expressed and genuine commitment of the recipient government, it is difficult to move forward as expected and achieve the necessary cooperation, involvement and support for the advancement of the project's objectives.

It was learned that Country Offices need to be involved as much as possible in the implementation, for they are the ones that have a wider understanding of the country's reality and circumstance, better relations with government institutions and, sometimes, already inbuilt capacities necessary for this type of projects – this might vary, of course, according to the size and actual existing capacities of each country office.

This experience showed that it is necessary to involve local technical experts from the beginning of the process onwards, because they can provide to the project a “down to earth” view of what can or cannot be expected when trying to build a methodology (and guidelines) as the ones built. Their practical experience and knowledge of local realities gives a different perspective that needs to be incorporated and taken into account when developing this type of “models”.

This project revealed that it is very necessary to focus strongly on the strategy to be followed and structure to be developed or chosen for implementation, *before implementation begins*, having in mind as an objective, to improve efficiency and impact. That is, the design of the project should strongly focus on those two issues.

It was learned that it would have been good to have a regional mechanism to generate synergies and communication in between the different pilot studies being conducted in each country, to enhance learning processes and achieve greater synchrony. In this case, each pilot project was conducted independently (even if coordinated by CoE), without mechanisms to transfer learned experiences, knowledge and results in between them.

The implementation of the project revealed there is a need of more experts on this particular field. As it is a novel subject, experts are scarce. Therefore, it was learned that it will be necessary to build capacities to expand knowledge and understanding on estimations of IFFs, in the language of Systems of National Accounts, for criminal activities - especially in the case of those illegal markets where no estimations could be done, as trafficking of persons.

The COVID-19 pandemic has shown that a lot can be achieved through long distance methods, sometimes even more efficiently than in face-to-face gatherings. These areas of opportunity should be explored for future project implementations, especially in terms of capacity building and long-distance trainings.

A final lesson learned was that it is always necessary to pay greater attention to qualitative information when trying to calculate the IFFs estimates. Sometimes there is a tendency to concentrate only or mostly on quantitative data, when qualitative information, data and data sources might be of great use to fill the gaps or even fully understand the nature of a market, its overall structure and some of its most relevant data.

BEST PRACTICES

The creation of the Task Force, with a multidisciplinary team working together, has been a best practice. The project started with the idea that a couple of expert meetings could be enough to define the conceptual framework for measuring IFFs. But soon they realised the work to be done was a lot more demanding and profound, and needed of a longer-term commitment from a group of experts from various different fields and disciplines. That is how the Task Force was established and it resulted in a very commendable and successful practice.

The double-edged strategy of having, on the one hand, the HQs of UNODC doing research (especially for methodological development) and providing technical and expert assistance, and on the other having Country Offices implementing in the field, can also be considered a best practice. This strategy can take advantage of the expertise, global perspective and capacity of global engagement existing in HQs and, at the same time, use the regional and local knowledge of country offices to focalize and adapt the developed global tools to the realities of beneficiary countries.

This type of projects requires the cooperation, interaction and interchange of ideas of a very wide group of people of very different backgrounds, disciplines, cultures, knowledge and experiences. The open, flat and transparent mode of work that was achieved during the Expert Meetings and Regional Seminars, integrating those multidisciplinary teams, can also be considered a best practice, for it facilitates the sharing of knowledge, the open discussion of ideas and the achievement of shared conclusions.

UNITED NATIONS OFFICE ON DRUGS AND CRIME
Vienna

TERMS OF REFERENCE

FINAL INDEPENDENT PROJECT
EVALUATION

OF

*DEVELOPING INDICATOR ON ILLICIT
FINANCIAL FLOWS AND
MONITORING THEM IN LATIN
AMERICA*



UNITED NATIONS

Vienna, 2020

BACKGROUND AND CONTEXT

Project/Programme number:	1617AL
Project/Programme title:	Developing indicator on illicit financial flows and monitoring them in Latin America
Duration (dd/mm/yyyy-dd/mm/yyyy):	01/07/2017 - 31/12/2020
Location:	Colombia, Ecuador, Mexico, Peru
Linkages to Country, Regional and Thematic Programmes:	UNODC's work is covered by programme 13 of the UN strategic framework (A/69/6 (Prog. 13)). The relevant sub-programme is "Research, trend analysis and forensics" (Sub-programme 6)
Linkages to UNDAF's strategic outcomes to which the project/programme contributes ²²	N/A
Linkages to the SDG targets to which the project contributes:	SDG Indicator 16.4.1
Executing Agency:	UNODC
Partner Organizations:	UNCTAD, UNODC-INEGI Center of Excellence for Statistical Information on Government, Crime, Victimization and Justice, and ECLAC
Total Approved Budget (USD):	900,000 USD
Total Overall Budget (USD):	900,000 USD
Total Expenditure by date of initiation of evaluation (USD):	820,000 USD
Donors:	UN DESA – Development Account (Tranche 10A)
Project/Programme Manager:	Mr. Enrico BISOGNO, Chief, DDDS
Type and time frame of evaluation:	Final Independent Project Evaluation
Time frame of the project covered by the evaluation (<i>until the end of the evaluation field mission</i>):	01/07/2017– 31/04/2021
Geographical coverage of the evaluation:	Colombia, Ecuador, Mexico, Peru
Budget for this evaluation in USD ²³ :	23,000 USD
Number of independent evaluators planned for this evaluation ²⁴ :	2
Type and year of past evaluations (if any):	N/A

²² United Nations Development Assistance Framework

²³ Including fees for evaluation team, travel, printing, editing, translation, interpretation, etc.

²⁴ Please note that the minimum for any UNODC evaluation is two independent evaluators, i.e. one lead evaluator and one team member

Project overview

Proceeds from transnational organised crime can be substantial and have the potential to threaten sustainable development by undermining the rule of law, fuelling corruption and financing conflict. The 2030 Agenda for Sustainable Development identified the fight against illicit financial flows (IFFs) as a priority area to build peaceful societies around the world. Combatting illicit financial flows is therefore a crucial component of global efforts to promote peace, justice and strong institutions. Sustainable development goal 16.4. calls for “By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime”, with indicator 16.4.1 “Total value of inward and outward illicit financial flows (in current United States dollars)”

However, until recent years there was no globally accepted methodology to monitor IFFs. Before this project started, SDG indicator 16.4.1 was classified as a Tier III indicator, meaning that its methodology still needed to be developed and agreed upon. The scarcity of statistical indicators on IFFs reduces clarity about how large these flows are, where they originate from and what consequences they have on institutions and economic activity. The absence of reliable, objective information undermines the ability to tackle the problems caused by these flows. UNODC and UNCTAD, in collaboration with the UNODC -INEGI Center of Excellence for Statistical Information on Government, Crime, Victimization and Justice and the UN Economic Commission for Latin America and the Caribbean (ECLAC), have developed a programme of coordinated actions to develop, review and test a statistical methodology to monitor IFFs.

After developing a conceptual and statistical framework to measure illicit financial flows related to illegal market activities, illicit tax-related/commercial practices, and theft-type activities, over the last two years UNODC developed and tested practical guidelines to measure illicit financial flows associated with trafficking activities that can be used at the national and international levels. These comprehensive guidelines include all necessary steps and instruments towards a robust and standardised statistical measurement, from the identification of data provider institutions, the development of data availability assessment and collection tools, to step by step guide on how to measure the size of IFFs associated with three key illegal markets in the region (namely drug trafficking, trafficking in persons – sexual exploitation and smuggling of migrants).

Country stakeholders such as national statistical offices, financial intelligence units, central banks and ministry of finance/justice have been involved and participated into workshops and meetings to develop capacity in the measurement of illegal market activities and illicit financial flows independently, and guarantee sustainability of the process and engagement of pilot countries overtime.

Four selected countries in Latin America – namely Mexico, Peru, Colombia and Ecuador - participated in the pilot phase of this programme, and pilot activities are currently about to be finalised, together with a final valuation of the methodologies (that will be reported in the project document) and recommendations for future steps.

PURPOSE OF THE EVALUATION

The purpose of the evaluation will be to assess relevance, efficiency, effectiveness, coherence , human rights and mainstreaming of gender and leaving no one behind, impact and sustainability of the project

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

implementation, as well as to derive lessons learned, best practices and recommendations to plan future research activities on measuring illicit financial flows and for organizational learning.

On the one hand, UNODC itself and senior and programme management will benefit from evaluation results to certify quality of the work undertaken, including in the pilot studies, and promote the implementation of similar projects in other possible regions across the globe. In addition, evaluation results will serve as an additional useful tool to engage new interested countries to conduct pilot activities for the upcoming projects.

The evaluation findings will be shared among relevant stakeholder and used to inform and better direct strategies and activities the relevant in thematic areas, as well as helping to effectively contribute to measure progress towards target 16.4.1 in a transparent, standardised and comparable manner.

EVALUATION CRITERIA

The evaluation will be conducted based on the following DAC criteria²⁵: relevance, coherence, efficiency, effectiveness, impact and sustainability, as well as human rights, gender equality and leaving no one behind, and lesson learned and best practices. All evaluations must include gender, human rights and no one left behind. Ideally these are mainstreamed within the evaluation questions. The criteria of relevance, efficiency, effectiveness, impact and sustainability can be addressed as relevant to the evaluation purpose. Evaluation criteria and questions should be selected to meet the needs of the stakeholders and evaluation context. The evaluation criteria and questions will be further refined by the Evaluation Team in the drafting of the Inception Report.

<p>Relevance: Is the intervention doing the right thing?</p> <p>Relevance is the extent to which the activity is suited to the priorities and policies of the target group, recipient and donor.</p>
<ol style="list-style-type: none"> 1. To what extent are the outputs, outcomes and objective of this project relevant to developing a statistical methodology to measure IFFs and support the national statistical offices to implement it? 2. To what extent was the project designed based on evidence (research; lessons learned from past programming; evaluations)?
<p>Coherence²⁶: How well does the intervention fit?</p> <p>The compatibility of the intervention with other interventions in the country, sector or institution</p>
<ol style="list-style-type: none"> 3. To what extent has the project delivered its interventions complementary and in coordination with relevant stakeholders at the national level (including national statistical offices, line ministries and financial information units)? 4. To what extent were appropriate partnerships established and maintained with national and international experts on the subject-matter to develop the statistical methods?
<p>Efficiency: How well are resources being used?</p> <p>The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.</p>

²⁵ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

²⁶ Includes the previous criteria of partnerships and cooperation

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

<p>5. To what extent have the resources and inputs been converted to outputs and outcomes in a timely and cost-effective manner?</p> <p>6. What aspects of efficiency could be improved in the future in similar projects?</p>
<p align="center">Effectiveness: Is the intervention achieving its objectives?</p> <p>The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups.</p>
<p>7. To what extent did the project reach it's intended outcomes and main activities set out in the project document?</p>
<p align="center">Impact: What difference does the intervention make?</p> <p>The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.</p>
<p>8. To what extent did the project contribute to increase understanding and national capacities to measure and monitor illicit financial flows in target countries?</p> <p>9. What were the facilitating and hindering factors in generating impact?</p>
<p align="center">Sustainability: Will the benefits last?</p> <p>The extent to which the net benefits of the intervention continue or are likely to continue.</p>
<p>10. To what extent did the project contribute to building capacity to measure IFFs in pilot countries?</p> <p>11. To what extent are the achievements of the project likely to continue after the project ends?</p>
<p align="center">Human rights, gender equality, and leaving no one behind: Has the intervention been inclusive and human rights based?</p> <p>The extent to which the project/programme has mainstreamed human rights, gender equality, and the dignity of individuals, i.e. vulnerable groups, including those with disabilities.</p>
<p>12. How has the project ensured that no one was left behind? Including a focus on human rights, gender equality, victims of terrorism, vulnerable groups.</p> <p>13. What could the project have done better to focus its interventions be more inclusive and human rights based?</p>
<p align="center">Lessons learned and best practices</p> <p>Lessons learned concern the learning experiences and insights that were gained throughout the project/ programme.</p>
<p>14. What lessons learned are recommended for consideration in the development of similar projects?</p> <p>15. What good practices could be identified for replication, up-scaling, intensification or prioritization to ensure the relevance of similar projects in the future?</p>

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

This evaluation will use methodologies and techniques as determined by the specific needs for information, the questions set out in the TOR and further refined in the Inception Report, as well as the availability of stakeholders. In all cases, the evaluation team is expected to analyse all relevant information sources, such as reports, programme documents, thematic programmes, internal review reports, programme files, evaluation reports (if available), financial reports and any other additional documents that may provide further evidence for triangulation, on which their conclusions will be based. The evaluation team is also expected to use interviews, surveys or any other relevant quantitative and/or qualitative tools as a means to collect relevant data for the evaluation. The evaluation methodology needs to fully consider the constraints on the different data collection tools, therefore the IES Guidance document on COVID-19²⁷ needs to be fully considered during the evaluation process. While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties identified as the stakeholders of the project/ programme. The Core Learning Partners (CLP).

The evaluation team will be asked to present a summarized methodology (including an evaluation matrix) in the Inception Report outlining the evaluation criteria, indicators, sources of information and methods of data collection. The evaluation methodology must conform to the United Nations Evaluation Group (UNEG) Norms and Standards as well as the UNODC Evaluation Policy, Norms and Standards.

While the evaluation team shall fine-tune the methodology for the evaluation in an Inception Report, a mixed-methods approach of qualitative and quantitative methods is mandatory due to its appropriateness to ensure a gender-sensitive, inclusive methodology. Special attention shall be paid to an unbiased and objective approach and the triangulation of sources, methods, data, and theories. The limitations to the evaluation need to be identified and discussed by the evaluation team in the Inception Report, e.g. data constraints (such as missing baseline and monitoring data). Potential limitations as well as the chosen mitigating measures should be discussed.

The main elements of the evaluation process are the following:

- Preparation and submission of an Inception Report (containing initial observations of the desk review, refined evaluation questions, data collection instruments, sampling strategy, limitations to the evaluation, and timetable, , fully considering the implications of COVID-19) to IES through Unite Evaluations (<https://evaluations.unodc.org>) for review and clearance at least one week before any field mission may take place (may entail several rounds of comments);
- Initial meetings and interviews with the Project Manager and other UNODC staff as well as stakeholders during the field mission;
- Interviews (face-to-face or by telephone/skype), with key project stakeholders and beneficiaries, both individually and (as appropriate) in small groups/focus groups, as well as using surveys, questionnaires or any other relevant quantitative and/or qualitative tools as a means to collect relevant data for the evaluation;
- Analysis of all available information;
- Preparation of the draft evaluation report (based on Guidelines for Evaluation Report and Template Report to be found on the IES website <http://www.unodc.org/unodc/en/evaluation/index.html>). The lead evaluator submits the draft report to IES only through Unite Evaluations for review and clearance (may entail several rounds of comments). A briefing on the draft report with project/programme management may also be organized. This will be based on discussion with IES and project/programme management.

27

https://www.unodc.org/documents/evaluation/Guidelines/COVID-19_Guidance_document_Final_June_2020.pdf

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

- Preparation of the final evaluation report and an Evaluation Brief (2-pager), including full proofreading and editing, submission to IES through Unite Evaluations for review and clearance (may entail several rounds of comments). It further includes a PowerPoint presentation on final evaluation findings and recommendations;
- Presentation of final evaluation report with its findings and recommendations to the target audience, stakeholders etc. (in person or if necessary through Skype).
- In conducting the evaluation, the UNODC and the UNEG Evaluation Norms and Standards are to be taken into account. All tools, norms and templates to be mandatorily used in the evaluation process can be found on the IES website: <http://www.unodc.org/unodc/en/evaluation/index.html>.

TIMEFRAME AND DELIVERABLES

Evaluationstage	Start date (dd/mm/yy)	End date (dd/mm/yy)	Subsumed tasks, roles	Guidance / Process description
InceptionReport (3-5 weeks)	23/11/2020	15/12/2020	Draft IR; Review by IES, PM; Final IR	Includes 2 weeks for review by IES
Data collection (2-6 weeks)	16/12/2020	11/01/2021	Observation; surveys; interviews; etc.	Coordination of data collection dates and logistics with PM.
Draft report(6-9 weeks)	12/01/2021	31/01/2021	Drafting of report; by evaluators	Includes 2 weeks for review by IES, 1 week by PM
	01/02/2021	21/02/2021	Review by IES; review by PM; revision of draft	
Draft reportfor CLP comments	01/03/2021	15/03/2021	Compilation of comments by IES	Comments will be shared by IES with evaluators
Final reportand Brief (2-3 weeks)	23/03/2021	11/04/2021	Share with CLPs; revision by eval; review/approval by IES; incorporation of MR by PM	Evaluation report and Brief are finalised. Includes 1 week for review by IES
Presentationand Powerpoint (1 week)	12/04/2021	18/04/2021	PPT reviewed and finalised; presentation organised	Date of presentation of final results to be agreed with PM.
Evaluation Follow-up Plan (4-6 weeks)	19/04/2021	19/05/2021	EFP submitted.	PM to submit EFP to IES within 6 weeks after

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

			approval of final report.
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The UNODC Independent Evaluation Section may change the evaluation process, timeline, approach, etc. as necessary at any point throughout the evaluation-process.

EVALUATION TEAM COMPOSITION

Role	Number of consultants ²⁸ (national/international)	Specific expertise required ²⁹
Lead evaluator	1 (international consultant)	Evaluation methodology
Team member/expert	1 (international consultant)	Expertise in crime research

The evaluation team will not act as representatives of any party and must remain independent and impartial. The qualifications and responsibilities for each evaluation team member are specified in the respective job descriptions attached to these Terms of Reference (Annex 1). The evaluation team will report exclusively to the Chief or Deputy Chief of the UNODC Independent Evaluation Section, who are the exclusive clearing entity for all evaluation deliverables and products.

Absence of Conflict of Interest

According to UNODC rules, the evaluation team must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the programme/project or theme under evaluation.

Furthermore, the evaluation team shall respect and follow the UNEG Ethical Guidelines for conducting evaluations in a sensitive and ethical manner.

MANAGEMENT OF THE EVALUATION PROCESS

Roles and responsibilities of the Project/Programme Manager

²⁸ Please note that an evaluation team needs to consist of at least 2 independent evaluators – at least one team leader and one team member.

²⁹ Please add the specific technical expertise needed (e.g. expertise in anti-corruption; counter terrorism; etc.) – please note that at least one evaluation team member needs to have expertise in human rights and gender equality.

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

The Project/Programme Manager is responsible for:

Managing the evaluation process

drafting and finalizing the ToR,

identifying stakeholders and selecting Core Learning Partners (representing a balance of men, women and other marginalised groups) and informing them of their role,

recruiting the evaluation team following clearance by IES, ensuring issued contracts ahead of the start of the evaluation process in line with the cleared ToR. In case of any delay, IES and the evaluation team are to be immediately notified,

providing desk review materials (including data and information on men, women and other marginalised groups) to the evaluation,

reviewing the draft report for factual errors,

developing a follow-up plan for the usage of the evaluation results and recording of the implementation of the evaluation recommendations (to be updated once per year),

disseminate the final evaluation report and communicate evaluation results to relevant stakeholders as well as facilitate the presentation of evaluation results;

The Project/Programme Manager will be in charge of providing logistical support to the evaluation team including arranging the field missions of the evaluation team, including but not limited to:

All logistical arrangement for the meetings/interviews/focus groups/etc., ensuring interview partners adequately represent men, women and other marginalised groups and arrangements for the presentation of the evaluation results;

Ensure timely payment of all fees/DSA/etc. (payments for the evaluation team must be released within 5 working days after the respective deliverable is cleared by IES).

Roles and responsibilities of the Independent Evaluation Section

The Independent Evaluation Section (IES) provides mandatory normative tools, guidelines and templates to be used in the evaluation process³⁰. Furthermore, IES provides guidance, quality assurance and evaluation expertise, as well as interacts with the project manager and the evaluation team throughout the evaluation process. IES may change the evaluation process, timeline, approach, etc. as necessary at any point throughout the evaluation process.

IES reviews, comments on and clears all steps and deliverables during the evaluation process: Terms of Reference; Selection of the evaluation team, Inception Report; Draft Evaluation Report; Final Evaluation Report, Evaluation Brief and PowerPoint slides on the final evaluation results; Evaluation Follow-up Plan. IES further publishes the final evaluation report and the Evaluation Brief on the UNODC website, as well as sends the final evaluation report to an external evaluation quality assurance provider.

PAYMENT MODALITIES

³⁰ Please find the respective tools on the IES web site <http://www.unodc.org/unodc/en/evaluation/evaluation.html>.

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

The evaluation team will be issued consultancy contracts and paid in accordance with UNODC rules and regulations. The payment will be made by deliverable and only once cleared by IES. Moreover, 75 percent of the daily subsistence allowance and terminals is paid in advance before travelling. The balance is paid after the travel has taken place, upon presentation of boarding passes and the completed travel claim forms. Deliverables which do not meet UNODC and UNEG evaluation norms and standards will not be cleared by IES.

IES is the sole entity to request payments to be released in relation to evaluation. Project/Programme Management must fulfil any such request within 5 working days to ensure the independence of this evaluation process. Non-compliance by Project/Programme Management may result in the decision to discontinue the evaluation by IES.

ANNEX II: EVALUATION TOOLS: QUESTIONNAIRES AND INTERVIEW GUIDES

II.1 SEMI-STRUCTURED INTERVIEW GUIDES

II.1.1 GUIDE FOR SEMI-STRUCTURED INTERVIEWS TO UNODC PERSONNEL

(HQ AND COUNTRY OFFICES)

Date	
Interviewer	
Name	
Position within UN	
Tel.	
e-mail	

General information/ presentation:

This interview is related to the final Independent Project Evaluation “Developing indicator on illicit financial flows and monitoring them in Latin America”, a joint project of the United Nations Office of Drugs and Crime (UNODC) and the United Nations Conference on Trade and Development (UNCTAD), which is managed by the Independent Evaluation Section in UNODC and which abides by the international norms and standards for evaluation set by the United Nations Evaluation Group.

The project’s aim has been to develop the methodological framework for indicator 16.4.1 of the SDGs, and correspondent to SDG 16.4: “By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms or organized crime”, and to test it in four countries, for various relevant types of IFFs related to criminal activities, through pilot studies.

This evaluation will inform the design and implementation of future similar projects to test this methodology in other regions, countries and IFFs types.

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

We are an independent external Evaluation Team for this project and our names are Edgar Arredondo and Aldo Magoga. Please feel free to ask us any questions you may have so far in regard to this evaluation.

Confidentiality:

For your information, all of your answers to the questions of this interview will remain anonymous and will only be taken into consideration as aggregate data. If you agree to participate (participation is strictly voluntary) you will be helping UNODC and UNCTAD to improve further similar interventions. Therefore, we ask of you to answer honestly and transparently. No answer is correct or wrong. We are only interested in your opinion.

Thank you for participating in this interview.

Introductory Question:

Please, briefly describe your main functions and responsibilities within the Project and within the UNODC/ UNCTAD structure. Also explain how much of your daily activities are related to this project.

Part I: Relevance

In your opinion, was the design of the project adequate for an efficient and effective implementation of the project and to achieve the expected impact and sustainability?

Not adequate: "Why?"

Adequate: "Please explain".

Were risks properly identified and assessed in the Project Document?

Not properly: "Why?"

Yes, they were: "Please explain".

Were the monitoring mechanisms established the correct/ sufficient ones?

Was the logical framework of the project the correct one?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

To what extent are the outputs, outcomes and objective of this project relevant to recipient countries? And to the mandates of the agencies involved?

Outputs:

Workshops, expert meetings, Regional Seminars

Statistical Methodology Published

Training Modules for the production of IFFs data

Pilot Studies and their Reports

Outcomes & Objective:

To increase understanding and national capacities to measure and monitor illicit financial flows in target countries through:

Improved statistical capacity of target countries to measure IFFs as a result of the developed Statistical methodology

Enhanced understanding and awareness among national stakeholders and policy makers about IFF types and magnitude

Relevance for involved agencies:

Relevance for target countries:

To what extent is the project's need based on evidence (research, studies, previous attempts to measure IFFs)?

Please elaborate

Part II. Coherence

To what extent has the project delivered its interventions complementary and in coordination with relevant stakeholders at the national level (including national statistical offices, line ministries and financial information units)?

Please give examples:

With which organizations/ institutions/ programmes were there complementary actions or was there coordination?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

How did this work?

To what extent were appropriate partnerships established and maintained with national and international experts, as well as with UN partner organizations, on the subject-matter to develop the statistical methods?

National and international experts

Partner UN organizations

How would you qualify inter-agency collaboration in this project?

How would you improve it for future similar projects?

Part III: Efficiency

To what extent have the resources and inputs been converted to outputs in a timely and cost-effective manner?

Would you say resources and inputs were enough? Why?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Which factors would you identify as relevant for or against the efficiency of the project's implementation?

What aspects of efficiency could be improved in the future in similar projects?

In terms of the efficiency in the use of resources and inputs:

In terms of management:

Is there any suggestion you can give to improve efficiency in the use of resources (budget) for future similar projects?

Part IV. Effectiveness

To what extent did the project reach the intended outcomes and main activities set out in the project document?

Being more specific and based on your experience or knowledge of the implementation of this project?

To what extent do you consider that the training courses, workshops and expert meetings were adequate to the end goals of the project?

And how would you improve them for future similar projects?

Expert Meetings (2017 – A 1.2)

Training modules (A 1.5) and Workshops (A 2.1)

Regional Seminar (A 2.3)

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

To what extent do you consider the Conceptual Framework for the Statistical Measurement of Illicit Financial Flows a good enough tool for its purpose? How would you improve it for the future?

To what extent do you consider the pilot studies on the use and adaptation of this tool for different types of IFFs successful? How would you improve this pilot study implementation for the future?

What adjustments, if any, were made to the project activities and modality, as a direct consequence of the COVID-19 situation or in response to the new priorities of Member States?

To what extent did the adjustments allow the project to effectively respond to the new priorities of Member States that emerged as a result of COVID-19?

How did the adjustments affect the achievement of the project's expected results as stated in its original results framework?

Part V. Impact

To what extent did the project contribute to an increased understanding and better national capacities to measure and monitor illicit financial flows in target countries?

Please mention some examples:

Which were the facilitating and hindering factors in generating impact?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Please mention external and internal factors to the project in this respect:

Are there any results achieved beyond what was expected of the project?

Please elaborate:

Part VI: Sustainability

To what extent did the project contribute to building capacity to measure IFFs in pilot countries?

Was there any sustainability strategy in the project to achieve this?

Which actions were taken to achieve this?

To what extent are the achievements of the project likely to continue after the project ends?

In your experience, is there anything else you would advise to do to improve the permanence of the project's goals?

Part VII. Human Rights and Gender Equality

Has the project ensured that no one was left behind? Including a focus on human rights, gender equality, victims of terrorism and vulnerable groups?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

To your knowledge, were there any specific actions taken to make sure gender equality, leaving no one behind and human rights were observed and respected?

What could the project have done better to focus its interventions be more inclusive and human rights based?

Please elaborate

Part IX. Lessons Learned and Best Practices

After your experience in the implementation of the project, what lessons learned are recommended for future similar projects?

Please mention at least one:

What good practices could be identified for replication, up-scaling, intensification or prioritization to ensure the relevance of similar projects in the future?

Please mention at least one:

II.1.2 GUIDE FOR SEMI-STRUCTURED INTERVIEWS TO GOVERNMENT OFFICIALS

Date	
Interviewer	
Name	
Government Institution and position	
Tel.	
e-mail	

General information / presentation:

This interview is related to the final Independent Project Evaluation “Developing indicator on illicit financial flows and monitoring them in Latin America”, a joint project of the United Nations Office of Drugs and Crime (UNODC) and the United Nations Conference on Trade and Development (UNCTAD), which is managed by the Independent Evaluation Section in UNODC and which abides by the international norms and standards for evaluation set by the United Nations Evaluation Group.

The project’s aim has been to develop the methodological framework for indicator 16.4.1 of the SDGs, and correspondent to SDG 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”, and to test it in four countries, for various relevant types of IFFs related to criminal activities, through pilot studies.

This evaluation will inform the design and implementation of future similar projects to test this methodology in other regions, countries and IFFs types.

We are an independent external Evaluation Team for this project and our names are Edgar Arredondo and Aldo Magoga. Please feel free to ask us any questions you may have so far in regard to this evaluation.

Confidentiality:

For your information, all of your answers to the questions of this interview will remain anonymous and will only be taken into consideration as aggregate data. If you agree to participate (participation is strictly voluntary) you will be helping UNODC and UNCTAD to improve further similar interventions. Therefore, we ask of you to answer honestly and transparently. No answer is correct or wrong. We are only interested in your opinion.

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Thank you for participating in this interview.

Introductory Question:

Please, briefly describe your main functions and responsibilities within the Project and within your government institution/position. Also explain how much of your daily activities are related to this Project.

Part I: Relevance

To what extent were the outcomes and objective of this project relevant to your country?

Outcomes & Objective:

Enhanced capacities to collect and analyse data using a participatory approach

Enhanced capacities to formulate and adopt crime prevention strategies using a participatory approach

Enhanced capacity to measure progress towards security and monitor crime

Part II. Coherence

To what extent has the project delivered its interventions complementary and in coordination with relevant stakeholders at the national level (including national statistical offices, line ministries and financial information units)?

Please give examples:

With which organizations/ institutions/ programmes were there complementary actions or was there coordination?

How did this work?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Part III: Efficiency

To your own knowledge, to what extent were resources and inputs used for the pilot project in your in a timely and cost-effective manner?

To your own knowledge, would you say resources and inputs were enough? Why?

Which factors would you identify as relevant for or against the efficiency of the project's implementation?

What aspects of efficiency could be improved in the future in similar projects?

Part IV. Effectiveness

To what extent did the project reach the intended activities, outputs and outcomes in your country (pilot project)?

Being more specific and based on your experience or knowledge of the implementation of this project?

To what extent do you consider that the training courses and workshops received to help you understand IFFs types and measurements, and implement the pilot project, were sufficiently adequate?

And how would you improve them for future similar projects?

Training modules (A 1.5) and Workshops (A 2.1)

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Regional Seminar (A 2.3)

Do you know the document Conceptual Framework for the Statistical Measurement of Illicit Financial Flows? To what extent do you consider it a good enough tool for its purpose? How would you improve it for the future?

To what extent do you consider the pilot studies on the use and adaptation of this tool for different types of IFFs successful? How would you improve this pilot study implementation for the future?

To your own knowledge, what adjustments, if any, were made to the project activities and modality, as a direct consequence of the COVID-19 situation or in response to the new priorities of your own country?

To what extent did the adjustments allow the project to effectively respond to the new priorities of your country that emerged as a result of COVID-19?

How did the adjustments affect the achievement of the project's expected results as stated originally?

Part V. Impact

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Based on your experience and knowledge of the project, to what extent do you consider the project contributed to an increased understanding and better national capacities to measure and monitor illicit financial flows in your country?

Please mention some examples:

Which were the facilitating and hindering factors in generating this impact in your country?

Please mention external and internal factors to the project in this respect:

Are there any results achieved beyond what was expected of the project?

Please elaborate:

Part VI: Sustainability

To what extent did the project contribute to building capacity to measure IFFs in your own country?

To your own knowledge, was there any sustainability strategy in the project to achieve this?

Which actions were taken to achieve this?

To what extent are the achievements of the project in your country likely to continue after the project ends?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

In your experience, is there anything else you would advise to do to improve the permanence of the project's goals?

Part VII. Human Rights and Gender Equality

Based on your own experience and knowledge of the project, has the project ensured that no one was left behind? Including a focus on human rights, gender equality, victims of terrorism and vulnerable groups?

To your knowledge, were there any specific actions taken to make sure gender equality, leaving no one behind and human rights were observed and respected?

What could the project have done better to focus its interventions be more inclusive and human rights based?

Part VIII. Lessons Learned and Best Practices

After your experience in the implementation of the project, what lessons learned are recommended for future similar projects?

What good practices could be identified for replication, up-scaling, intensification or prioritization to ensure the relevance of similar projects in the future?

II.1.3 GUIDE FOR SEMI-STRUCTURED INTERVIEWS WITH EXPERTS, CONSULTANTS, MEMBERS OF CIVIL SOCIETY OR ACADEMIA.

Date	
Interviewer	
Name	
Job	
Tel.	
e-mail	

General information/ presentation:

This interview is related to the final Independent Project Evaluation “Developing indicator on illicit financial flows and monitoring them in Latin America”, a joint project of the United Nations Office of Drugs and Crime (UNODC) and the United Nations Conference on Trade and Development (UNCTAD), which is managed by the Independent Evaluation Section in UNODC and which abides by the international norms and standards for evaluation set by the United Nations Evaluation Group.

The project’s aim has been to develop the methodological framework for indicator 16.4.1 of the SDGs, and correspondent to SDG 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”, and to test it in four countries, for various relevant types of IFFs related to criminal activities, through pilot studies.

This evaluation will inform the design and implementation of future similar projects to test this methodology in other regions, countries and IFFs types.

We are an independent external Evaluation Team for this project and our names are Edgar Arredondo and Aldo Magoga. Please feel free to ask us any questions you may have so far in regard to this evaluation.

Confidentiality:

For your information, all of your answers to the questions of this interview will remain anonymous and will only be taken into consideration as aggregate data. If you agree to participate (participation is strictly voluntary) you will be helping UNODC and UNCTAD to improve further similar interventions. Therefore, we ask of you to answer honestly and transparently. No answer is correct or wrong. We are only interested in your opinion.

Thank you for participating in this interview.

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Introductory Question:

Please, briefly describe your main functions and responsibilities within the Project and within your organization or work. Also explain how much of your daily activities are related to this project.

Part I: Relevance

To what extent do you consider the outcomes and objective of this project relevant to improve knowledge and policies against IFFs?

Outcomes & Objective:

Enhanced capacities to collect and analyse data using a participatory approach

Enhanced capacities to formulate and adopt crime prevention strategies using a participatory approach

Enhanced capacity to measure progress towards security and monitor crime

To your own knowledge, to what extent is the project's need based on evidence (research, studies, previous attempts to measure IFFs)?

Please elaborate

Part II. Coherence

To your own knowledge and experience of the project, to what extent has the project delivered its interventions complementary and in coordination with relevant stakeholders at the national level (including national statistical offices, line ministries and financial information units)?

Please give examples:

With which organizations/ institutions/ programmes were there complementary actions or was there coordination?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

How did this work?

Part III: Efficiency

To your own knowledge, to what extent were resources and inputs used by the project in your in a timely and cost-effective manner?

What aspects of efficiency could be improved in the future in similar projects?

Part IV. Effectiveness

In your own experience, to what extent did the project reach the intended activities, outputs and outcomes?

Being more specific and based on your experience or knowledge of the implementation of this project?

To what extent do you consider that the training courses, workshops and expert meetings were adequate to the end goals of the project?

And how would you improve them for future similar projects?

Expert Meetings (2017)

Training modules (A 1.5) and Workshops (A 2.1)

Regional Seminar (A 2.3)

Do you know the document Conceptual Framework for the Statistical Measurement of Illicit Financial Flows? To what extent do you consider it a good enough tool for its purpose? How would you improve it for the future?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Do you know of or participated in any of the pilot studies of the project? To what extent do you consider the pilot studies on the use and adaptation of this tool for different types of IFFs successful? How would you improve this pilot study implementation for the future?

To your own knowledge, what adjustments, if any, were made to the project activities and modality, as a direct consequence of the COVID-19 situation or in response to the new priorities of Member States?

To what extent did the adjustments allow the project to effectively respond to the new priorities of Member States that emerged as a result of COVID-19?

How did the adjustments affect the achievement of the project's expected results as stated in its original results framework?

Part V. Impact

Based on your experience and knowledge of the project, to what extent do you consider that the project contributed to an increased understanding and better national capacities to measure and monitor illicit financial flows in your country?

Please mention some examples:

Which are the facilitating and hindering factors in generating this impact?

Are there any results achieved beyond what was expected of the project?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Please elaborate:

Part VI: Sustainability

To your own knowledge, to what extent did the project contribute to building capacity to measure IFFs in target countries?

To your own knowledge, was there any sustainability strategy in the project to achieve this?

Which actions were taken to achieve this?

To what extent are the achievements of the project likely to continue after the project ends?

In your experience, is there anything else you would advise to do to improve the permanence of the project's goals?

Part VII. Human Rights and Gender Equality

Based on your own experience and knowledge of the project, has the project ensured that no one was left behind? Including a focus on human rights, gender equality, victims of terrorism and vulnerable groups?

What could the project have done better to focus its interventions be more inclusive and human rights based?

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

Part VIII. Lessons Learned and Best Practices

After your experience in the implementation of the project, what lessons learned are recommended for future similar projects?

Please mention at least one:

What good practices could be identified for replication, up-scaling, intensification or prioritization to ensure the relevance of similar projects in the future?

Please mention at least one:

II.2 QUESTIONNAIRE/SURVEY

II.2.1 GENERAL SURVEY MODEL FOR LOCAL GOVERNMENT OFFICIALS AND OTHER NON-UN PARTICIPANTS IN THE PROJECT

You are invited to participate in a survey related to the final Independent Project Evaluation of “Developing indicator on illicit financial flows and monitoring them in Latin America”, a joint project of the United Nations Office of Drugs and Crime (UNODC) and the United Nations Conference on Trade and Development (UNCTAD), which is managed by the Independent Evaluation Section in UNODC and which abides by the international norms and standards for evaluation set by the United Nations Evaluation Group.

The project’s aim has been to develop the methodological framework for indicator 16.4.1 of the SDGs, and correspondent to SDG 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”, and to test it in four countries, for various relevant types of IFFs related to criminal activities, through pilot studies.

This evaluation will inform the design and implementation of future projects on community safety and serve to increase organizational learning within UNODC and UN-Habitat.

This evaluation will inform the design and implementation of future similar projects to test this methodology in other regions, countries and IFFs types.

We are an independent external Evaluation Team for this project and our names are Edgar Arredondo and Aldo Magoga. Please feel free to ask us any questions you may have so far in regard to this evaluation. For any questions, please contact the evaluators on: arredondoedgar68@gmail.com / aldo.magoga@gmail.com

Confidentiality:

For your information, all of your answers to the questions of this interview will remain anonymous and will only be taken into consideration as aggregate data. If you agree to participate (participation is strictly voluntary) you will be helping UNODC and UNCTAD to improve further similar interventions. Therefore, we ask of you to answer honestly and transparently. No answer is correct or wrong. We are only interested in your opinion.

Thank you for participating in this survey.

Criterion	Questions
General Information	Please tell us your gender: Woman Man Nonbinary

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

	Prefer not to state
	Please tell us the name of the government institution, civil society organization, academic institution or other which you work for:
	Please tell us the name of the area where you work:
	Please tell us the name of your position:
	Please tell us how familiar you are with the project? Not at all familiar Slightly familiar Sufficiently familiar Very familiar
	Please tell us to what extent would you say you were involved in the implementation of the project. Not involved Slightly involved Sufficiently involved Very involved
	If you were involved, your activities or responsibilities towards the project were:

Relevance:

Please tell us how relevant the project has been for (please tick in the appropriate box):

	Do not know	Very Relevant	Sufficiently Relevant	Slightly Relevant	Not relevant at all
The needs of your national government					
The needs of your (government) institution					
The needs of your area of work					
Your own personal and professional needs					
Comments:					

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

How much would you say the following products were needed by your government/ organization/ academic institution? (please tick in the appropriate box)

	Not at all needed	Slightly Needed	Fairly Needed	Very Needed	Do not know
The Conceptual Framework for the Statistical Measurement of Illicit Financial Flows					
The Training Modules prepared for helping Pilot Studies					
The Workshops and Seminars attended about IFFs methodology and types					
The Tools and Guidelines developed to help implement the pilot studies					
Comments:					

Coherence	<p>To your own knowledge, to what extent has the project delivered its interventions complementary and in coordination with relevant stakeholders at the national level (including national statistical offices, line ministries and financial information units)?</p> <p>Not at all Slightly so Fairly so Very much so</p>
	<p>To what extent were appropriate partnerships established and maintained with national and international experts, as well as with UN partner organizations, on the subject-matter to develop the statistical methods?</p> <p>Not at all Slightly so Fairly so Very much so</p>
Efficiency	<p>Do you consider that the activities done by the project were done in time and with the proper resources?</p> <p>Not at all</p>

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

	Slightly so Fairly so Very much so Do not know Comments:
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Effectiveness:

Please fill in the following table, ticking on the appropriate box in terms of how you would qualify each of the activities of the project in which you participated:

Activity	Tick if you participated in it	In terms of improving the statistical capacity of target countries to measure IFFs as a result of the developed Statistical Methodology					In terms of enhancing your awareness and understanding about IFFs types and magnitude				
		Bad	Poor	Good	Very Good	Excellent	Bad	Poor	Good	Very Good	Excellent
Expert Meeting in Vienna (2017)											
Expert Meeting in Geneva (2017)											
Regional Meeting in Mexico City (2018)											
Expert Group Task Force Meeting Geneva (2019)											
Regional Meeting in Mexico (2019)											
Pilot project in any of these countries (Colombia, Ecuador, Mexico or Peru)											
Comments:											

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

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Effectiveness	<p>Please tell us, in your opinion, how much do you think that the project in general (all of its activities) can improve the statistical capacity of target countries to measure IFFs as a result of the developed Statistical Methodology</p> <p>Not at all</p> <p>Poorly</p> <p>Fairly</p> <p>Sufficiently</p> <p>Very Strongly</p> <p>Do not know</p> <p>Comments:</p>
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Impact:	<p>To what extent do you consider that the project can contribute to an increased understanding and better national capacities to measure and monitor illicit financial flows in target countries?</p> <p>Not at all</p> <p>Poorly</p> <p>Fairly</p> <p>Sufficiently</p> <p>Very Strongly</p> <p>Please explain why:</p>
	<p>What do you consider are the facilitating or hindering factors to achieve this?</p> <p>Please elaborate:</p>
Sustainability	<p>To your own knowledge of the project, did the project had a strategy to sustain what was achieved in building capacities to measure IFFs in target countries?</p> <p>No</p> <p>Yes</p>

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

	<p>Please elaborate</p> <p>To what extent do you consider that the achievements of the project likely to continue after the project ends?</p> <p>Not at all</p> <p>Poorly</p> <p>Fairly</p> <p>Sufficiently</p> <p>Very Strongly</p> <p>I don't know</p> <p>Comments:</p>
Human Rights and Gender Equality	<p>In your experience, has the project ensured that no one was left behind?</p> <p>Never</p> <p>Rarely</p> <p>Sometimes</p> <p>Often</p> <p>Always</p> <p>Comments:</p> <p>In your experience, has the project ensured a respect of human rights during implementation?</p> <p>Never</p> <p>Rarely</p> <p>Sometimes</p> <p>Often</p> <p>Always</p> <p>Comments:</p> <p>In your experience, has the project been implemented promoting and respecting gender equality?</p>

Final Independent Project Evaluation of Developing indicator on illicit financial flows and monitoring them in Latin America (1617AL)

	<p>Never</p> <p>Rarely</p> <p>Sometimes</p> <p>Often</p> <p>Always</p> <p>Comments:</p>
	<p>What could the project have done better to focus its interventions be more inclusive and human rights based?</p> <p>Please elaborate:</p>
Lessons Learned	<p>After your experience in the implementation of the project, what lessons learned are recommended for future similar projects?</p>
Best Practices	<p>What good practices could be identified for replication, up-scaling, intensification or prioritization to ensure the relevance of similar projects in the future?</p>

ANNEX III: DESK REVIEW LIST

UNODC DOCUMENTS

Number	Title
1	Project document
1	Project Budget
3	Progress reports: years 2017, 2018 and 2019
8	Meetings workshops conferences: UNTOC COP10 2020 side event, EGM Vienna (December 2017), EGM Geneva (June 2018), Regional meeting Mexico City (November 2018), CND 2019 side event, CCPCJ 2019 side event, Expert group IFF task force meeting Geneva (July 2019), Regional meeting Mexico (2019)
6	Methodological development documents: IFF statistical and conceptual framework development, IFFs - drugs trafficking, IFFs - migrant smuggling, IFFs - trafficking in persons, IFFs - wildlife trafficking, IFFs - illegal gold mining.
3	Data availability and data collection tools: Guidelines for data assessment IFF, IFF data availability form (2019), IFF drugs data collection.
4	Pilot materials: Forms for data collection (drug, migrants, mining, human trafficking)
4	Country reports of Pilot Studies: Mexico, Peru, Colombia and Ecuador

Total number of UNODC documents reviewed: 30

EXTERNAL DOCUMENTS

Number	Title
1	“Características de los flujos financieros asociados al tráfico ilícito de personas migrantes provenientes del Triángulo Norte de Centroamérica”, <i>Contextos, investigaciones sobre movilidad humana</i> . SEGOB, Unidad de Política Migratoria, México 2020.
1	<i>Handbook on the compilation of statistics on illegal economic activities in national accounts and balance of payments</i> , 2018 edition, Manuals and Guidelines, EUROSTAT, December 2017.

Number	Title
1	“Implementation of projects financed from the Development Account: eleventh progress report”, United Nations General Assembly, Seventy-fourth Session, 3 May 2019.

Total number of external documents reviewed: 3

ANNEX IV: STAKEHOLDERS CONTACTED DURING THE EVALUATION

Number of interviewees	Organisation*	Type of stakeholder (see note below)	Sex disaggregated data	Country
11	UNODC	Project/Programme implementer	Male: 7 Female: 4	
4	Government	Government recipient	Male: 3 Female: 1	
3	Expert	Academia/Research institute	Male: 2 Female: 1	
Total: 18			Male: 12 Female: 6	

Note: A stakeholder could be a Civil Society Organisation; Project/Programme implementer; Government recipient; Donor; Academia/Research institute; etc.

* UNODC includes HQ staff, CoE, COCOL and hired consultants for each country; Government includes members of government from Mexico, Colombia, Ecuador and Peru; Expert includes Task Force members, Experts participating in expert meetings or contractual providers for the project.

ANNEX V: RESULTS MATRIX OF THE LOGICAL FRAMEWORK WITH COMMENTS

Table 1. Results Matrix of the Logical Framework of the PD with comments.

Intervention logic	Indicators	Means of verification	Comments
<p>Objective</p> <p>To increase understanding and national capacities to measure and monitor illicit financial flows in target countries.</p>			
<p>EA 1</p> <p>Improved statistical capacity of target countries to measure IFFs as a result of the developed Statistical methodology.</p>	<p>IA 1.1</p> <p>New statistical methodology to estimate IFFs discussed and validated in Expert Group Meetings, with the participation of representatives of national statistical offices, international agencies and selected experts from a wide range of developing and developed countries.</p>	<p>Statistical Methodology to estimate IFF published on UNODC web site</p>	<p>This achievement implies two goals:</p> <p>A developed and approved (by experts) Statistical Methodology to measure IFFs</p> <p>Improved statistical capacity in targeted countries to measure IFFs using that Methodology</p> <p>Indicator IA 1.1 is S.M.A.R.T (Specific, Measurable, Achievable, Relevant, and Time-bound) and it's means of verification effectively proves a Statistical Methodology has been developed and approved.</p> <p>IA 1.2 is only partially S.M.A.R.T. as it is measurable, achievable and time bound but it is not specific (it does not establish a goal – i.e., the number of countries that need to produce preliminary data, as a target) and only partially relevant, for even if it shows the methodology has been tested in a number of targeted countries, the means of verification does not necessarily prove those countries have effectively improved their capacities to measure IFFs – that is, the existence of a report itself cannot certify that the</p>
	<p>IA 1.2</p> <p>Number of pilot countries producing preliminary IFF data on selected IFF typologies according to the new methodology. *</p>	<p>Report from the IFF pilot.</p>	

			<p>methodology was successfully tested nor that existing capacities to measure IFFs have been improved.</p>
	<p>80 % of participants from target countries are satisfied with the training.*</p>	<p>Survey of training participants published as part of Training report on UNODC website.</p>	<p>This indicator is also only partially SMART: it is measurable, achievable and time bound but it is not specific (it does not establish which trainings are to be evaluated) and only partially relevant, for expressing satisfaction with a training does not necessarily show the capacity to measure IFFs has been improved.</p>

<p>EA 2</p> <p>Enhanced understanding and awareness among national stakeholders and policy makers about IFF types and magnitude.</p>	<p>IA 2.1</p> <p>The final report is used as reference source for the measurement and analysis of IFF in target countries and internationally.</p>	<p>Number of page views and/ or downloads of the final report published on UNODC website.</p>	<p>This achievement has also two components:</p> <p>Enhanced understanding and Enhanced awareness among national stakeholders and policy makers about IFF types and magnitude.</p> <p>The indicator IA 2.1 is not SMART: it is not specific, it is difficult to measure, it is not relevant to measure an enhanced understanding and awareness of IFF types and magnitude, and it is not time bound.</p> <p>This indicator intends to prove there is greater awareness of IFFs types and magnitude through the use of the report as a reference source when measuring IFFs. Nevertheless, the means of verification to prove this is the number of views and downloads of the report of the project.</p> <p>The number of views and downloads do not prove the report is being used as</p>
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	<p>IA 2.2 80% of policy makers participating in regional seminar indicate increased understanding on IFFs. *</p>	<p>Survey of policy makers that participated in the regional seminar published as part of the regional seminar report.</p>	<p>reference for the measurement of IFFs and, therefore, this mean of verification does not show an enhanced understanding and awareness of IFFs types and magnitude.</p> <p>The second indicator is also only partially SMART: it is measurable, achievable, time bound and specific, but not completely relevant, for it intends to show greater understanding only from those national stakeholders and policy makers who attended the regional seminar.</p>
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* The Project Document presents some inconsistencies in the proposed list of indicators. In p. 16, before presenting Table 3, the text mentions four indicators of achievement for the project. Nevertheless, the second (IA 1.2) and fourth (IA 2.2) indicators mentioned there are different to the ones included in Table 3 (and subsequently used in Progress Reports), and the third indicator included in Table 3 is not mentioned – this is also reflected in the fact that all previous four indicators have a numeral and this one has none and that this other indicator was not included in the Annual Reports. Although all this was probably just an editing mistake when incorporating modifications to Table 3, it generates confusion within the text.

ANNEX VI: PRODUCT ANALYSIS OF THE PROJECT'S OUTCOMES

The Conceptual Framework for the Statistical Measurement of Illicit Financial Flows (October 2020) represents a global milestone in the conceptual definition and measurement of IFFs. This product was a result of an intense collaboration of a multidisciplinary team on many relevant areas of knowledge. This framework has achieved, for the first time, a universally accepted conceptual and statistical definition of IFFs in line with SNAs. The most relevant elements of the framework are:

- An operational definition of IFFs applicable across countries to enable comparable measurements for Indicator 16.4.1, "Total value of inward and outward illicit financial flows" of target 16.4. of the SDGs.
- The adoption of a bottom-up approach to measure IFFs and the differentiation between IFFs linked to income generation and IFFs linked to income management.
- Its ability to remain sufficiently general in the methodological definition so that it is easily adaptable to the characteristics of each type of illegal categories (Tax and commercial practices, Exploitation-type activities and terrorism financing, Illegal markets, Corruption) and to the institutional differences in each country.

This framework is complemented by a series of guidelines for the identification and understanding of the main economic aggregates required to measure IFFs of income generation or income management, where the formulas to calculate IFFs of "productive activities" (exports, domestic income, illicit gross income, imports, domestic intermediate expenditure, Illicit intermediate expenditure, illicit net income) and of Income management aggregates (foreign consumption, foreign investments) are presented. Non-productive activities -as theft, extortion, sexual exploitation- and income management aggregates sections are still under development.

Pilot Studies

Within the framework of the project, four pilot studies to estimate IFFs related to drug markets have been developed in Mexico (Report of the pilot to measure the indicator SDG 16.4.1 "Total value of illicit financial flows: the drug market in Mexico"), Peru (National report of the pilot measurement of the SDG indicator 16.4.1 "Total value of illicit financial flows: the cocaine hydrochloride market in Peru"), Ecuador (National report of the pilot measurement of ODS indicator 16.4.1 "Total value of illicit financial flows": the cocaine hydrochloride market in Ecuador -draft-) and Colombia (Methodological proposal for the estimation of illicit financial flows (FFI) associated with the illicit cocaine market in Colombia).

The pilots, which represent very important examples of the application of the methodology, show some similarities and differences, which fundamentally depended on the availability of data and the specificities of the implementation in each country. In the case of Mexico, Ecuador and Peru, the studies were coordinated by CoE, with the support of a national consultant, and in direct coordination with government institutions. In the specific case of Colombia, inter-institutional group was created between COCOL and various government agencies.

Two other pilot study reports did not achieve estimates for IFFs: in Colombia, the document "Towards the construction of a methodological proposal for the estimation of illicit financial flows (IFF) associated with the illicit gold market in Colombia" (October 2020), which is nevertheless represents an important starting point

for the measurement of the IFFs associated with the illicit gold market in Colombia in the near future and, in the case of the Mexican pilot on drug trafficking, it was not possible to estimate the domestic market for marihuana and, therefore, the total illicit gross income, due to the lack of reliable data on drug prices at retail.