

SDG indicators

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SDG indicators-Presentation Outline

- ❖ Indicator definition and calculation
- ❖ Data sources and methods
- ❖ Operationalization
- ❖ Capacity building and increasing quality and quantity of responses





SDG 16.4.1- Total value of inward and outward illicit financial flows (in current United States dollars)

Part of Target 16.4

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

“ILLICIT FINANCIAL FLOWS”

Core elements of the definition (for statistical purposes):

- **Illicit** in **origin, transfer or use**
- Exchange of a **value** (rather than purely financial flows)
- A **flow** of value **over time** (as opposed to a stock measure)
- Flows that **cross a border**

SDG 16.4.1 – Measurement approach

No agreed methodology to estimate IFF existed so far -> Tier III Indicator

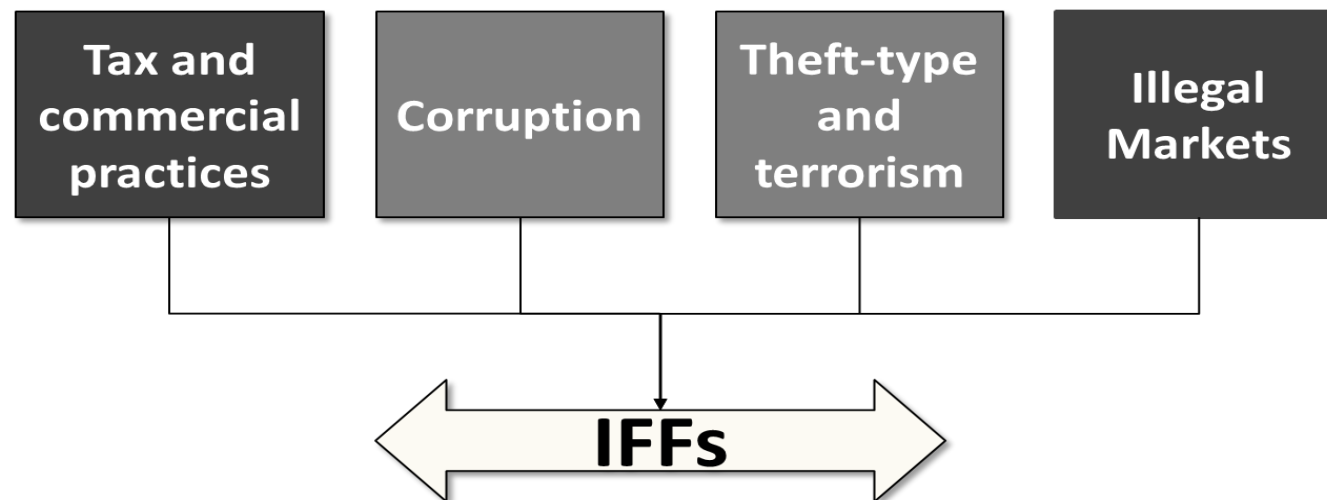
UNODC and UNCTAD have developed a measurement framework to estimate IFF for statistical purposes.

Key features of the approach:

- **Disaggregated and modular:** identifies main types of activities at the origin of IFFs and builds separate, bottom-up estimates for each of them
- **Country-level:** Allows to measure IFFs at the level of countries (in line with SDG indicator framework)
- **Compatible:** Aligned to established concepts and standards from economics and accounting (National Accounts and Balance of Payments)



SDG 16.4.1 – Type of activities generating IFF



Illegal markets: trade with illicit goods and services (e.g., drugs, smuggling of migrants, wildlife trafficking)

Theft-type activities and terrorism financing

Voluntary or involuntary, illicit transfer of funds or services between actors (theft, TiP, Kidnapping, extortion)

Corruption list of activities as in UNCAC, includes bribery, embezzlement, abuse of functions, trade in influence by public officials

Tax and commercial practices

e.g. tax evasion, trade misinvoicing



SDG 16.4.1- Operationalisation

For each type, the approach requires to estimate:

1. “Income generation” IFFs

Value of cross-border flows associated with these activities

-> e.g. estimate the flows associated with import and export of illicit drugs

2. “Income management” IFFs

Value of illicit net income that crosses the border.

-> e.g. amount of money that is laundered in financial havens

SDG 16.4.1- Past-Current and Upcoming activities

Two Expert Group meetings

Task Force to steer the development (UNODC, UNCTAD, IMF, Eurostat, ECA, OECD, NSOs from Europe, Latin America, Asia and Africa)

Data collection and methodology testing

Ongoing: Pilot activities on data collection and measuring IFF related in 5 Latin American countries lead by UNODC-ECLAC and 9 in Africa led by UNCTAD-ECA

Methodology presented at IMF statistical committee, ISI

Capacity building

Ongoing: Development of training modules to collect data and produce statistics on IFF for Member States.

Methodology consolidation

UNCTAD and UNODC are refining the statistical measurement framework and on the definition of methods.

Upcoming activities

Additional piloting in Central Asia in 2020.