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# Measuring IFF for SDG 16.4.1

## Developing a statistical framework



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# The Sustainable Development Goals

## Sustainable Development Goals





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## The Sustainable Development Goals



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



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# Illicit financial flows in the Sustainable Development Goals

## **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

## **Indicator 16.4.1**

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



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## Defining IFF for Statistical Purposes

### **Core elements**

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



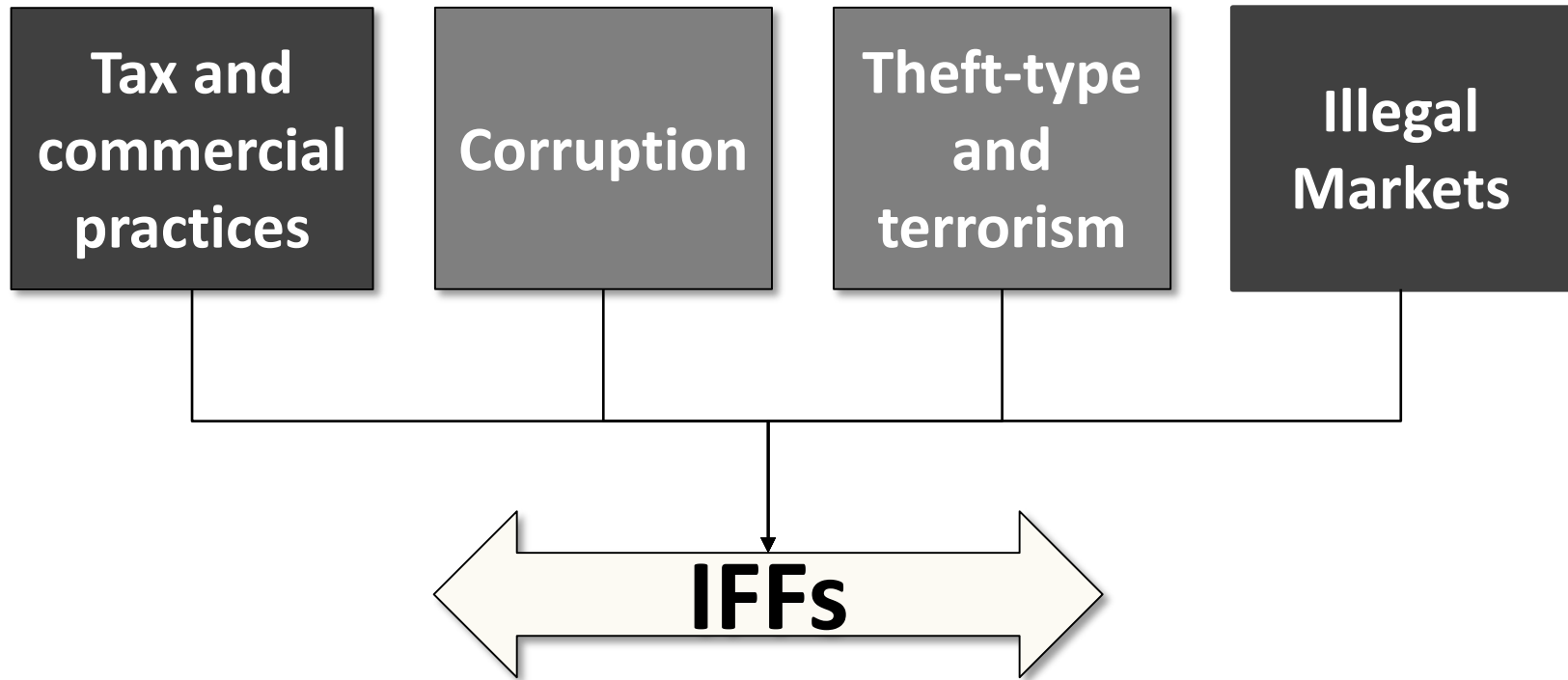
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## Towards a classification of flows





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**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



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## **Next steps and open questions**

- Identifying and classifying main activities with particular challenges around non-productive ones
- Some activities are complicated to conceptualise, e.g.
  - Sexual exploitation and forced labour
  - Diversion of illegal goods into the legal trade (illegal mining)
- Further disaggregating corruption