Measuring IFF for SDG 16.4.1
Developing a statistical framework
The Sustainable Development Goals
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
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)
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
Towards a classification of flows

Tax and commercial practices
Corruption
Theft-type and terrorism
Illegal Markets

IFFs
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
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
  - Deversion of illegal goods into the legal trade (illegal mining)
- Further disaggregating corruption