



**UNODC**

United Nations Office on Drugs and Crime

**Expert meeting on statistical methodologies for measuring illicit financial flows**

**Geneva, 20-22 June 2018**

**Advances in building a statistical framework to measure IFFs**

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## Defining IFFs for statistical purposes

### Monetary measure of:

- International transfers of illicitly earned capital
- (Originally) legal capital transferred internationally for illicit purposes
- (Originally) legal capital transferred illicitly

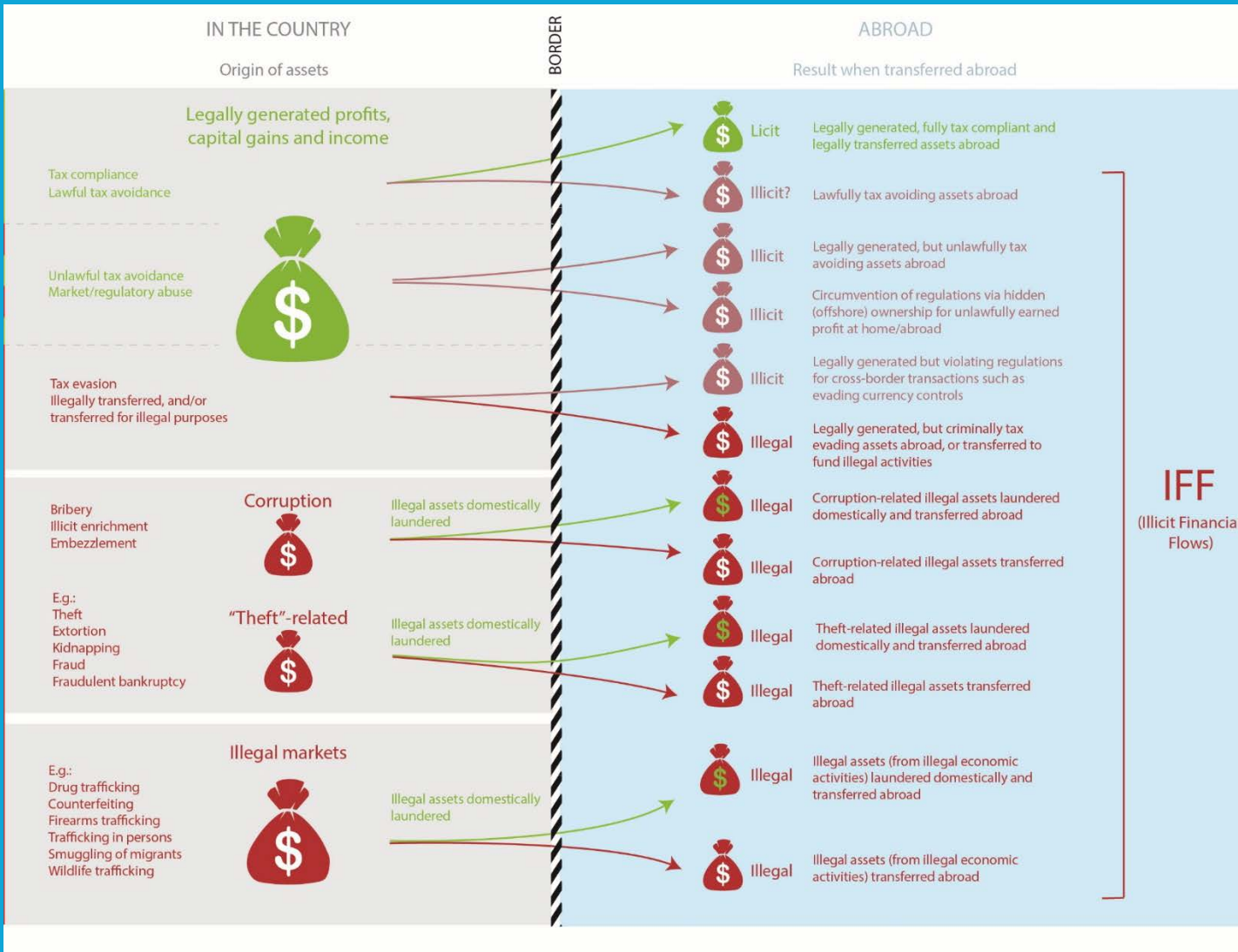
### Core Elements:

**Illicit**

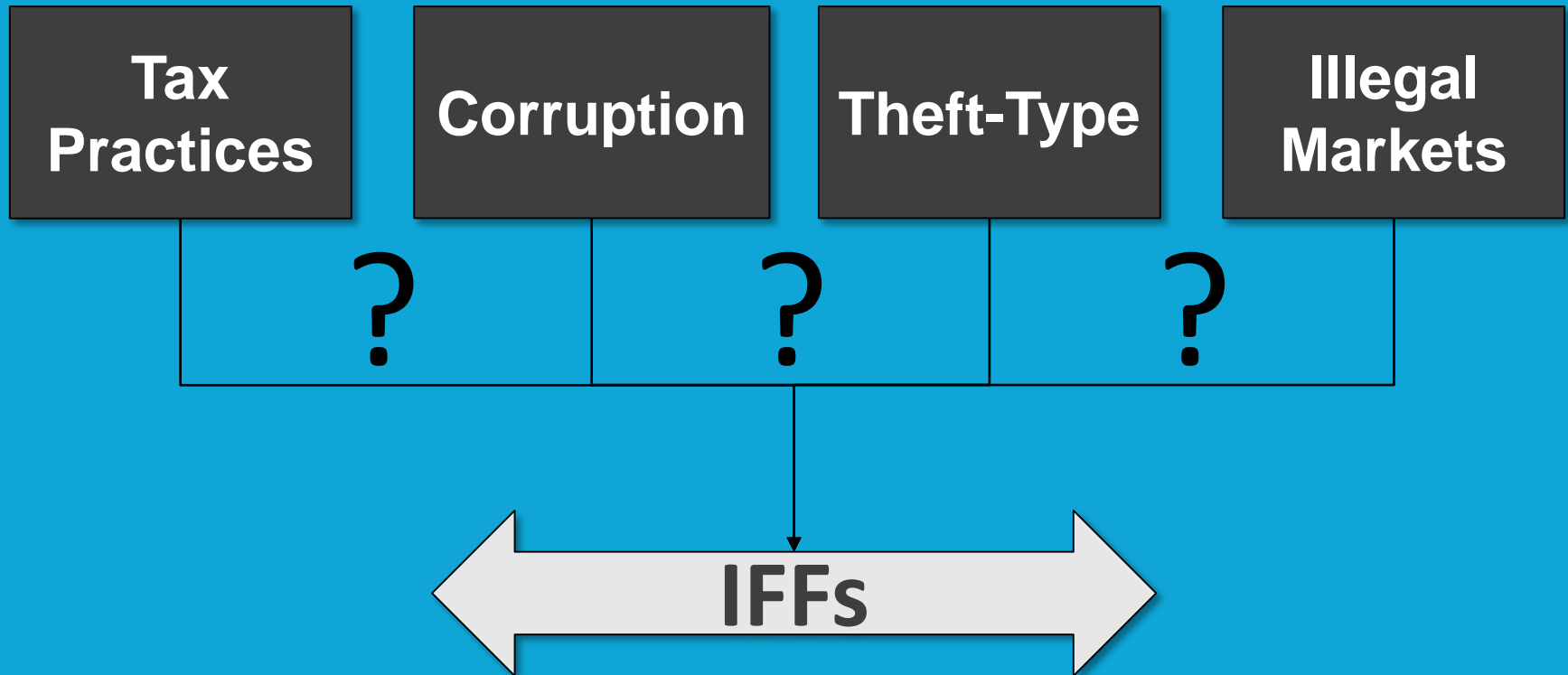
**Cross-  
Border**  
(not domestic)

**Flows**  
(not stocks)

# Case-based identification of IFFs



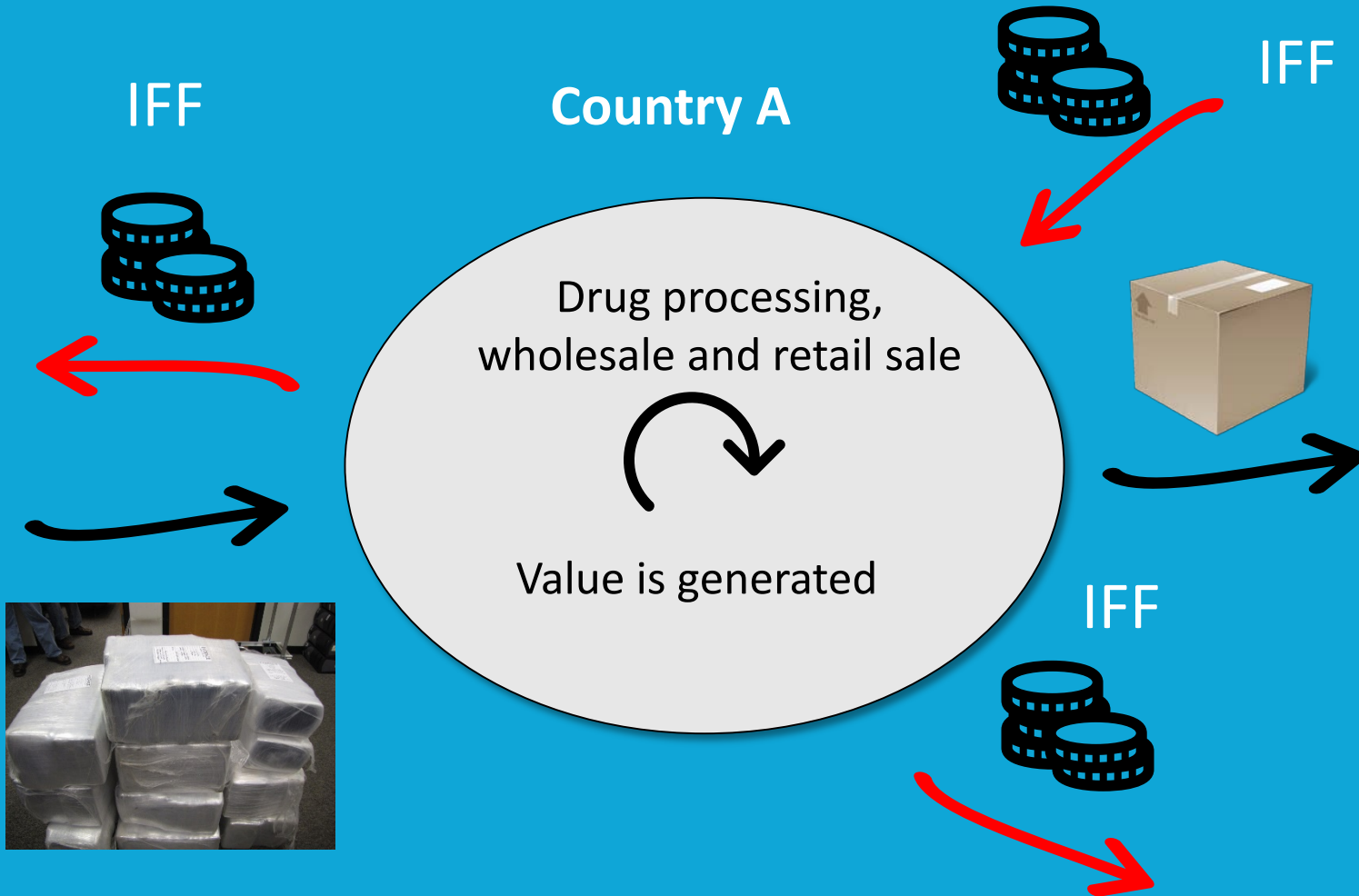
## Distinguishing four types of IFFs:



**Challenge:**

Moving from a case-based identification of IFFs to a comprehensive measurement framework for statistical purposes (country-based)

# An example, drug trafficking



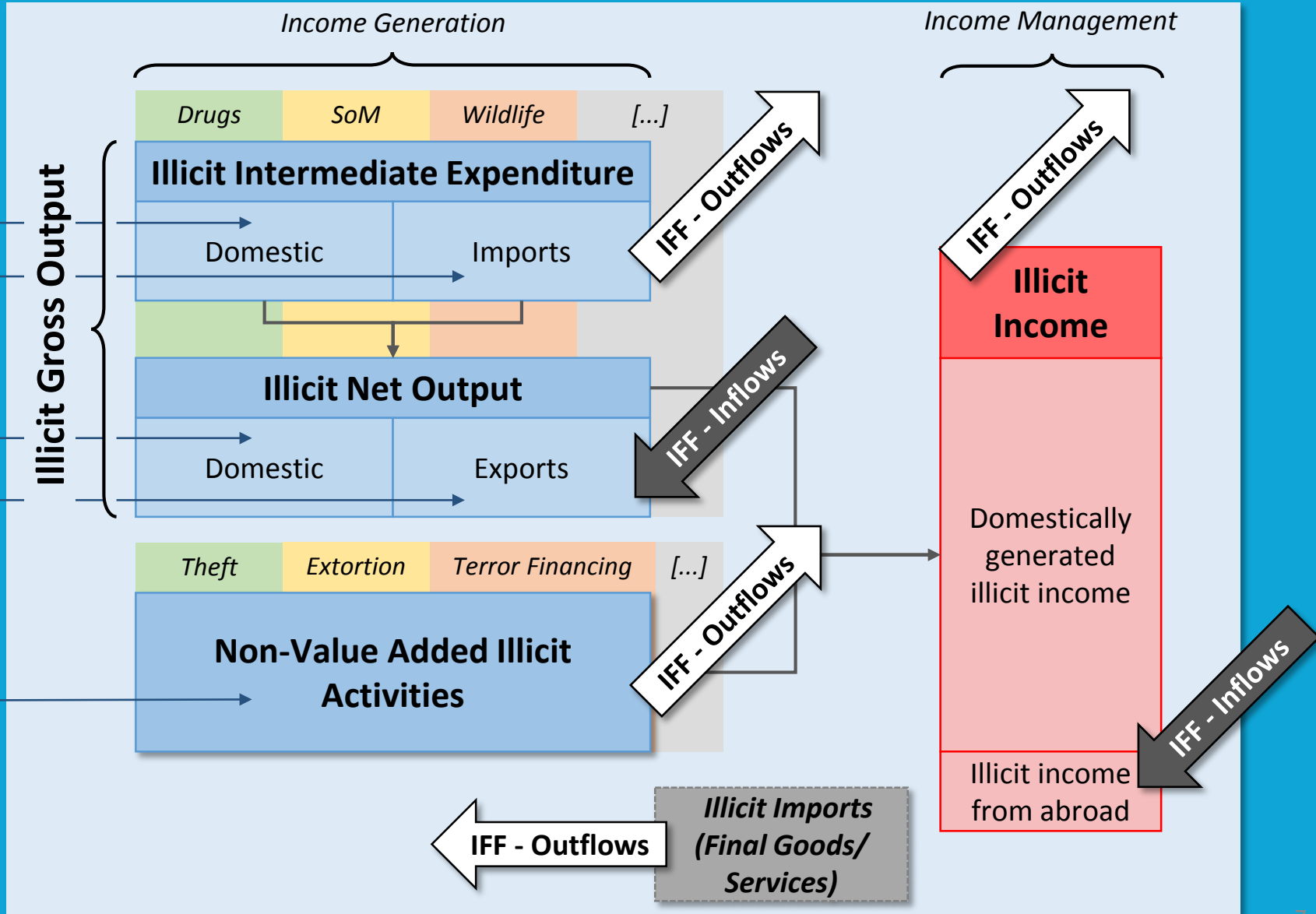
# Conceptualizing a Statistical Framework for Measuring IFFs

## Key requirements:

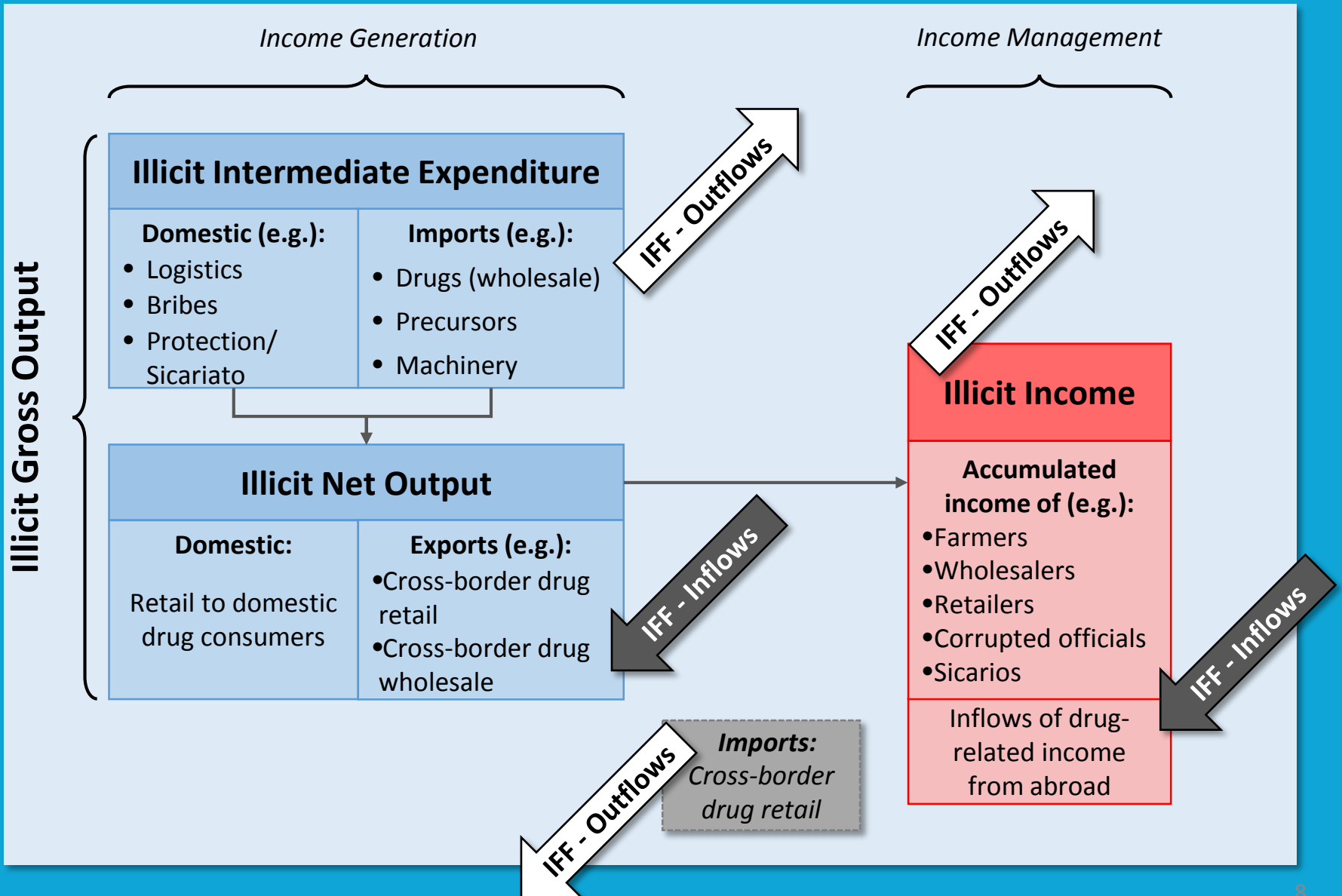
- **Country-Level:** Allows to measure IFFs at the level of countries (in line with SDG indicator framework)
- **Comprehensive:** Encompasses both IFFs and underlying illicit markets as well as all types of illicit activities that cause IFFs
- **Compatible:** Aligns to established concepts and standards from economics and accounting

# Statistical Framework for Measuring IFFs at Country-Level

**CORRUPTION**

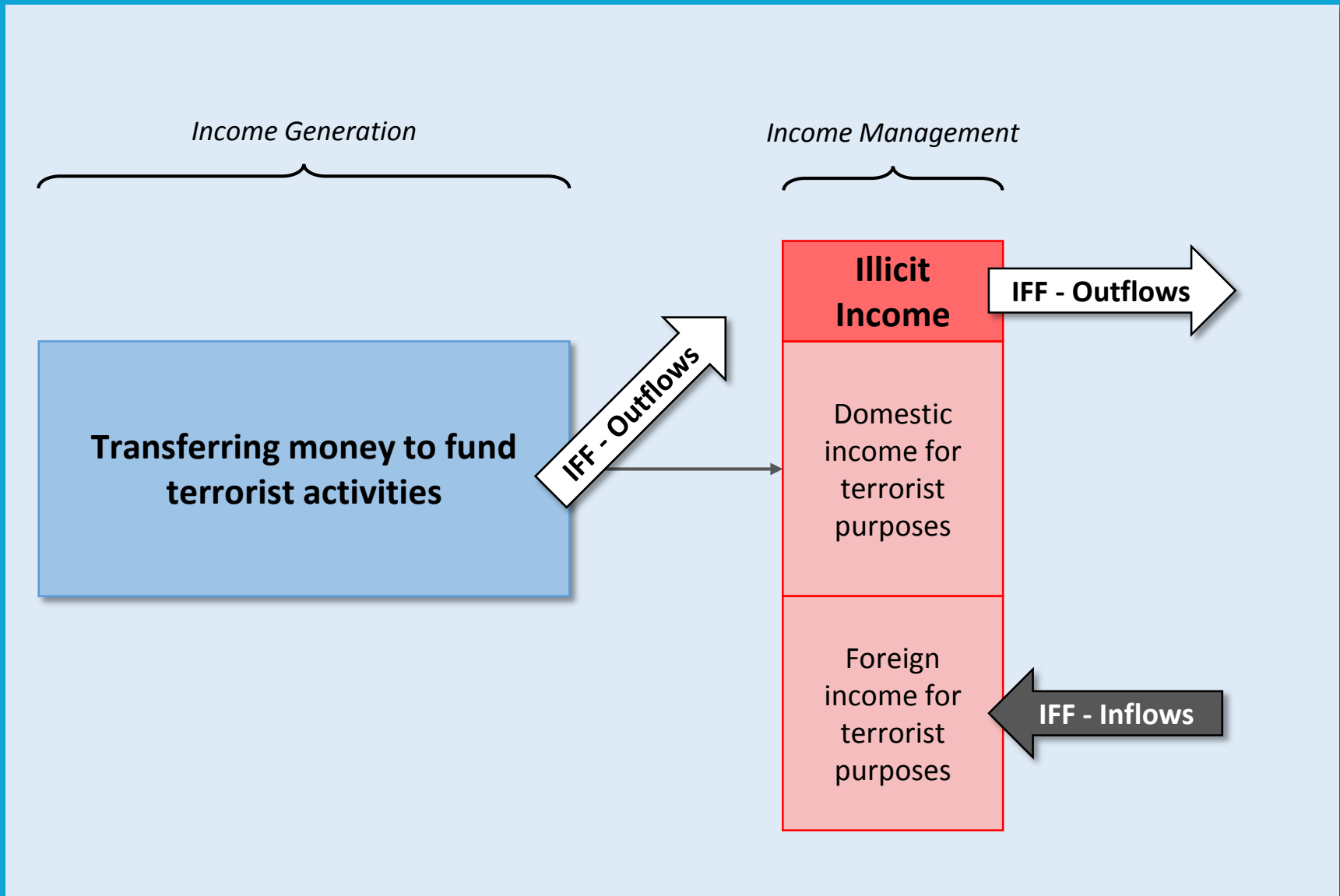


## Example: Drugs





## Example: Financing of Terrorism



## Dual Focus in Measuring IFFs

### Income Generation

- Various types of illicit markets and activities
- Functioning of illicit value chains
- Supply and demand of illicit goods and services
- Prices of illicit goods and services

### Income Management

- Distribution of income among different types of illicit actors
- Consumption and investment patterns of illicit actors
- Illicit finance and wealth management



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Thank you.

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