

**UN Joint SDG Fund support for Egypt**  
**Integrated SDGs Financing**  
**EGYPT IFFs**  
*UNCTAD – MPED (Egypt)*

**Kick-off meeting of pilot activities for measuring illicit financial flows in Egypt**

**1 September 2021**

**Concept note**

The United Nations integrated SDGs Financing project for Egypt ([INFF](#)) aims to develop capacities and put in place simple systems to continuously measure, map and compare financing flows. An important element of this project is identifying financing opportunities, through the better availability and quality of data, in particular data on Illicit Financial Flows (IFFs).

IFFs threaten countries' ability to achieve the 2030 Agenda and the Sustainable Development Goals (SDGs) by diverting resources from development, particularly in Africa. Policy action to curb IFFs and secure resources for sustainable development require better data and better understanding of IFFs – their types, volume, impacts, channels, origins and destinations. In July 2017, the United Nations General Assembly (A/RES/71/313) adopted an indicator framework to monitor progress towards SDGs. This indicator framework proposes an SDG indicator 16.4.1 to measure the “total value of inward and outward illicit financial flows (in current United States dollars)”. The Addis Ababa Action Agenda<sup>1</sup> on financing for development also calls for a redoubling of efforts to substantially reduce IFFs by 2030.

Custodian agencies of SDG indicator 16.4.1, United Nations Conference on Trade and Development (UNCTAD) and United Nations Office for Drugs and Crime (UNODC), released Conceptual Framework for the Statistical Measurement of Illicit Financial Flows<sup>2</sup> in October 2020. In May 2021, UNCTAD finalised a draft of Methodological Guidelines to Measure Tax and Commercial IFFs for pilot testing, aimed at statistical and other national authorities with a mandate to collect and access relevant information. UNODC are finalising the Guidelines to measure IFFs from extractive activities and illegal drugs markets.

National circumstances dictate a comprehensive and tailored approach to produce reliable and granular IFF statistics. Measurement of the many types of IFFs in one indicator can only be done in close collaboration within the national statistical system (NSS) and with administrative data

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<sup>1</sup> <https://sustainabledevelopment.un.org/index.php?page=view&type=400&nr=2051&menu=35>

<sup>2</sup> [https://www.unodc.org/documents/data-and-analysis/statistics/IFF/IFF\\_Conceptual\\_Framework\\_FINAL.pdf](https://www.unodc.org/documents/data-and-analysis/statistics/IFF/IFF_Conceptual_Framework_FINAL.pdf)

providers, in coordination by the national statistical office. The compilation of SDG indicator 16.4.1 is a technical, statistical activity that must be carried out independently in line with the Fundamental Principles of Official Statistics<sup>3</sup>.

To present and discuss implementation of activities related to the measurement of IFFs in Egypt, a kick-off workshop with national experts and stakeholders from institutions and agencies in Egypt is being organised. Specifically, the workshop will:

- Introduce the participants to the concepts and definition of illicit financial flows as included in the UNCTAD-UNODC Conceptual framework for the statistical measurement of illicit financial flows.
- Introduce the methodologies and guidelines developed so far by UNCTAD, and present practical examples and good practices from previous pilot activities.
- Introduce national stakeholders and solicit their presentation of work and views on IFFs in Egypt.
- Present and discuss the workplan of implementation activities and tools (focus/present on the self-assessment questionnaire (SAQ)? and proposing possible coordination solutions.

Successful measurement of IFFs requires collaboration across disciplines as illicit phenomena cut across society and data remain highly scattered. Therefore, the relevant government agencies and Ministries, and especially the NSO (CAPMAS), Egyptian Customs Authority and the Tax Authority, to list but a few, are invited to actively participate in the online workshop. National stakeholders are invited to use the workshop to share their experience on IFFs and related data, specifically to outline the following:

1. What national initiatives, plans and strategies to address IFFs have been developed and adopted?
2. What inter-agency collaboration are in place, and which may be set up set up to facilitate national efforts to measure IFFs?
3. Based on current understanding, which IFFs are most relevant in Egypt, or for the work of your agency? Which flows, industries, activities, and commodities are most affected?

The workshop will be conducted in Arabic and English.

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<sup>3</sup> <https://unstats.un.org/unsd/dnss/gp/fundprinciples.aspx>