CONCEPT NOTE

KONRAD ADENAUER STIFTUNG

UN trade & development UNCTAD

11-12 December 2025
Venue: Room XVI, Palais des Nations, Geneva, Switzerland

UNCTAD briefing session on Illicit Financial Flows (IFFs)

For Geneva-based Permanent Missions (PMs)

Background

Illicit financial flows (IFFs) deprive countries of essential resources to support public expenditure and development. In addition, IFFs are critical enablers of organised crime and corruption. Curbing IFFs can provide much needed revenue for governments to advance sustainable development, enhance economic resilience, and increase investment. Early pilots reveal significant flows of illicit finance intertwined with trade, reaching 5 to 30% of the value of official goods exports in these countries. Often illicit flows are linked with the trade of natural resources, such as critical minerals and certain agricultural products. This leads to some of the value of natural resources leaking out of a country and the official economy, weakening domestic resources for essential services and sustainable development. For instance, the Economic Development in Africa Report 2020[1] notes that to achieve the SDGs, African governments will need to raise USD 200 billion a year, while it estimates the fiscal vulnerability due to the COVID-19 pandemic to be about USD 110 – 114 billion. With years of stalled progress and setbacks, these annual costs are much higher today. It is therefore even more vital that policy responses are formulated on reliable evidence base.

The importance of the fight against IFFs has been reiterated by member States gathering at the **4th International Conference on Financing for Development** in July 2025. The *Sevilla Commitment* [2] emphasizes the urgent importance to address root causes of IFFs and overcome them by adopting stronger measures to fight tax evasion and aggressive tax avoidance, eliminate safe heavens, combat money laundering and corruption, improve asset recovery, and promote timely and accurate data exchange, including trade data, to address smuggling and trade misinvoicing.

Knowing the extent to which countries are affected by IFFs is essential to define targeted and effective policy action. IFFs data enables evidence-based policy making and targeted action, and ensures continuous monitoring of changes in the sources, destinations, types and channels of IFFs.

UN Trade and Development (UNCTAD) and **UN Office on Drugs and Crime (UNODC)**

[1] https://unctad.org/publication/economic-development-africa-report-2020
[2] https://docs.un.org/en/A/CONF.227/2025/L.1

are co-custodians of SDG indicator 16.4.1 on the *total value of inward and outward illicit financial flows*. The agencies, together with a Task Force of global experts, developed globally agreed IFFs statistical definition and classification, published in the **Conceptual Framework for the Statistical Measurement of IFFs**[3] (2020). This was endorsed by member States at the UN Statistical Commission in March 2022.

UNCTAD leads methodological and capacity support on tax and commercial IFFs, and UNODC on crime-related IFFs. In 2021, UNCTAD published the **Methodological guidelines to measure tax and commercial IFFs**[4] for pilot testing and released in 2023 refined methodological guidance[5] based on feedback from the pilots.

UNCTAD, UNODC and UN Regional Commissions support the development of country capacity to track IFFs and develop evidence-based policymaking. At present, **23 countries – Angola, Benin, Bangladesh, Burkina Faso, Colombia, Costa Rica, Ecuador, Egypt, Gabon, Ghana, Kyrgyzstan, Maldives, Mexico, Mozambique, Namibia, Nepal, Nigeria, Peru, Senegal, South Africa, Uzbekistan, Viet Nam and Zambia** have piloted IFF measurement. 14 of them tested methods to measure IFFs using customs and tax datasets. Official data have been published for 9 countries in the global SDG indicators database.[6]

All efforts to estimate IFFs are linked into policy formulation processes. Access to granular IFF estimates empowers policymakers to set priorities and target effort, supports research and analysis, and enables civil society and governments to work towards a more just and prosperous society. **Without reliable data, government efforts risk remaining ineffective or inadequate**. The concepts and methods, developed by UNCTAD and UNODC, can equip national authorities to analyse the datasets they have for signs of IFFs and step up their analytics for better policy.

In this regard, UNCTAD, in collaboration with **Konrad Adenauer Stiftung (KAS)** is organizing a briefing session for **Permanent Missions** in Geneva on the importance of measuring IFFs, with a focus on tax and commercial flows, and its linkages to policy.

The meeting will take place on **11 and 12 December 2025** at the **Palais des Nations, building A, Room XVI**.

Objective of the briefing session

The main objective of the session is to *showcase the importance of measuring illicit financial flows to inform evidence-based policymaking and ultimately strengthen domestic resource mobilization for developing countries based on nationally compiled IFF statistics*.

[3] https://unctad.org/publication/conceptual-framework-statistical-measurement-illicit-financial-flows
[4] https://unctad.org/publication/methodological-guidelines-measure-tax-and-commercial-illicit-financial-flows-methods
[5] https://unctad.org/publication/statistical-measurement-tax-and-commercial-illicit-financial-flows-pilot-testing; and https://unctad.org/publDayication/towards-statistical-framework-measurement-tax-and-commercial-illicit-financial-flows
[6] https://unstats.un.org/sdgs/dataportal

By leveraging on countries' experiences and lessons learned, the session will introduce participants to:

i. the benefits of IFFs measurement for multiple (policy) purposes, and its relevance in the context of the *Sevilla Committment*, the *Pact for the Future*, and the *2030 Agenda for Sustainable Development*.
ii. the key concepts and steps adopted by countries to apply methodologies to measure tax and commercial IFFs.
iii. available policy frameworks for countries to design appropriate country specific policies with utility in curbing IFFs.

Format of the briefing session

The briefing session will take place on **11 and 12 December 2025** as follows:

Day 1 – Measuring IFFs

15:00 to 15:15: Welcome remarks from UNCTAD and KAS

15:15 to 15:30: Why is measuring IFFs so important, and how does it link to Financing for Development?

15:30 to 16:15: Presentation of the Conceptual Framework and UNCTAD Methodological Guidelines to measure tax and commercial IFFs

16:15 to 16:45: Coffee Break

16:45 to 18:00: Presentation of pilot testing process and estimates from countries representatives

Day 2 – Building countries capacity to develop statistics and evidence-based policymaking against IFFs

09:30 to 10:15: Breakfast reception

10:15 to 10:30: Opening of day 2

10:30 to 11:15: Presentation of the policy framework

11:15 to 12:45: High-level policy panel

12:45 to 13:00: Closing remarks

Contacts

Diana Camerini, UNCTAD Statistics: diana.camerini@un.org

Christine Awiti, UNCTAD ALDC: christine.awiti@un.org

Monica Morrica, UNCTAD Statistics: monica.morrica@un.org

Andrea Ostheimer, Konrad Adenauer Stiftung: andrea.ostheimer@kas.de

Cedric Amon, Konrad Adenauer Stiftung: cedric.amon@kas.de