Introduction

The United Nations General Assembly adopted the indicator framework for the monitoring of progress towards SDGs, with indicator 16.4.1 on the “total value of inward and outward illicit financial flows (in United States dollars)” selected as one of two indicators to measure progress towards target 16.4 to “significantly reduce illicit financial (and arms) flows by 2030, strengthen the recovery and return of stolen assets and combat all forms of organized crime”. UNCTAD and UNODC are custodian agencies of indicator 16.4.1 on illicit financial flows (IFFs) and their respective statistical sections jointly led the development of a Conceptual Framework for the Statistical Measurement of Illicit Financial Flows in 2020. The Framework was endorsed by the UN Statistical Commission in March 2022.

In parallel, custodian agencies have drafted methodologies to measure tax and commercial IFFs, as well as crime-related IFFs. To date, methodologies to measure IFFs have been tested by 22 countries on three continents in efforts coordinated by UN regional commissions and UNODC field Offices (on crime-related IFFs), alongside UNCTAD and UNODC statistics. This includes 12 African countries, 4 Latin American and 6 Asian countries many of which produced first estimates of commercial or crime-related IFFs. Equally, regional commissions have been advancing IFFs risk assessment and analysis to curb IFFs, including monitoring and testing methods to measure IFFs in respective regions. As lessons are learned and estimation methods are tested and refined, there is a growing need to consolidate and collaborate on the measurement and policy formulation to curb IFFs. Likewise, interest from countries to systematically and regularly measure IFFs is growing.

On 7 December 2022, a resolution A/RES/77/154 by the 2nd Committee of the General Assembly on IFFs recognized the significant progress and availability of concepts and tested methods to measure IFFs and encouraged “all Member States to report on Sustainable Development Goal indicator 16.4.1, using the methodology adopted by the Statistical Commission, and called upon the United Nations system entities, international organizations and donors to work in coordination with the custodian agencies to train national statistical offices and other entities in charge of reporting on illicit financial flows on these agreed methods”. Building on this, further work is ongoing on designing appropriate policy actions to identify and address IFFs to achieve sustainable development for all.

During the first quarter of the year 2023, for SDG reporting, UNODC has provided the first ever data on crime-related IFFs for SDG indicator 16.4.1. Following up with these efforts, the UN Development Account project *Measuring and Curbing Illicit Financial Flows* is being implemented by the ECA (lead entity) jointly with the other United Nations Regional Commissions (ECLAC, ESCAP, ESCWA and to a lesser extent, ECE) for statistical and policy activities and in close coordination and with substantive support by UNCTAD and UNODC as the custodian agencies of indicator 16.4.1 on IFFs. The LDC component will be implemented by UNCTAD-ALDC in coordination with the ECA.

This project aims to strengthen the statistical capacity of selected countries across regions to measure IFFs, while increasing awareness of the globally agreed definitions, concepts, and tested methods and tools in all regions (*learn*). Second, the project will consolidate methodological guidelines with the aim to produce estimates on IFFs, also by gathering and aggregating existing early estimates (where possible) from different IFFs types (tax and commercial and crime-related IFFs) to allow for the reporting of SDG Indicator 16.4.1 (*develop*). Third, the project will strengthen the capacity of beneficiary countries to develop evidence-based policy responses to curb IFFs and strengthen domestic resource mobilization (*use*). The project aims to enhance investigative capacities in selected countries, extending the statistical methods by using a recently developed algorithm that utilises open-source tools to allow for the cost-effective investigation of IFFs by applying machine learning techniques. As a result, countries will be able to measure and report on IFFs and work towards building a policy response or action agenda to curb IFFs accordingly.

**Objective**

This workshop is organised with three specific objectives:

1. To kick-off the UN Development Account project *Measuring and Curbing Illicit Financial Flows* globally and bring partners and participating countries to the similar level of understanding of the project and strengthen stakeholder engagement and coordination.
2. To enhance capacity on understanding the methodologies to measure SDG indicator 16.4.1 on IFFs, formulation and implementation of policy measures to curbing IFFs by disseminating globally agreed concepts and methods to measure IFFs, supporting countries in formulating relevant policy responses and providing examples from different regions.
3. Provide participating countries opportunities to share their experiences and learn.

The workshop will be organized over two days comprising of sessions where partners and participating countries will present their existing work, experiences and share lessons learned on both the measurement of IFFs and policy recommendations and formulations to curb IFFs. It will enable setting the ground with raising awareness of globally agreed concepts and tested methodologies, providing initial platform for exchange of ideas and discuss methodologies and policy response formulation to curb IFFs, including detailing out plans for activities within the project following the meeting.

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2 Selecting data series to reflect SDG indicator 16.4.1 on SDG Indicators Database: [https://unstats.un.org/sdgs/dataportal/database](https://unstats.un.org/sdgs/dataportal/database) returns Indicator 16.4.1 series: Total value of inward illicit financial flows (DI_ILL_IN) and Total value of outward illicit financial flows (DI_ILL_OUT).
Participants
Targeted participants of the international kick-off workshop are national and international stakeholders within the UN Development Account project *Measuring and Curbing Illicit Financial Flows*. Specifically, these include:

For in-person participation:

- Representative from selected participating countries, such as each nominated national project focal points accompanied by one member of national technical working groups on IFFs;
- Staff members of the project partners, ECA, ECE, ECLAC, ESCAP, ESCWA, UNCTAD and UNODC.

For online participation:

- National and regional/international consultants engaged by partners of the project;
- Additional interested representatives from selected participating countries and national technical working groups.

Other participants (e.g., experts from the Task Force on measurement of IFFs) invited by the organizers. The workshop will be organized as a hybrid event. Registration links and other relevant information for in-person and on-line participation will be shared by organizers in due course.

The workshop will be conducted in five languages with simultaneous interpretation available to participants in and within Arabic, English, French, Russian and Spanish.