



ILLICIT TRADE FORUM

UNCTAD Work Programme on Illicit Trade

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Combating Illicit Trade on a Global Scale TOGETHER

- With near universal membership, and trade and development expertise, **UNCTAD can help a global response** in terms of cross-cutting, multisector issues and the overall macro-effects on development outcomes.
- There is potential to **address illicit trade in a more holistic and multidisciplinary manner**, starting with increased cross-sector coordination, and data collection and sharing.



Defining Illicit Trade

- **UNCTAD will work under the broadest definition of illicit trade**, which includes: goods and services that are traded but do not comply with judicial and regulatory frameworks, including in the ways in which they are produced, transported, certified, distributed or sold.
- This approach ensures the widest inclusively and that the array of challenges member States face may be addressed.
- This approach aligns with other organisations, such as WTO and OECD.

What UNCTAD is already doing

Partnership

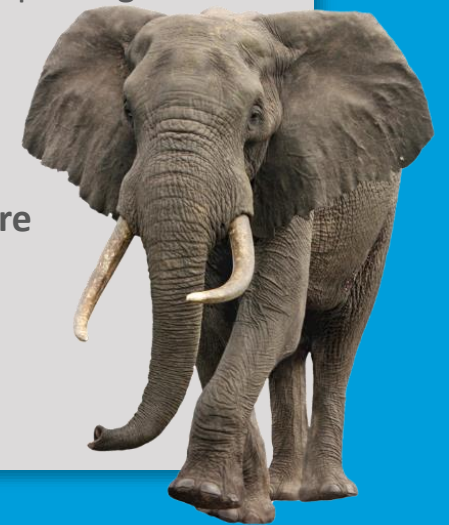


- MOU signed between **UNCTAD** and its ASYCUDA programme and the **CITES Secretariat** in 2010
- Joint project signed in December 2018 to develop the **eCITES@asycuda BaseSolution**
- Project with Sri Lanka Department of Wildlife Conservation to pilot **eCITES@asycuda BaseSolution**
- Deployment of eCITES in Mozambique on-going

@CITES

Within the framework of the MOU signed between the CITES Secretariat and UNCTAD, and a project sponsored by the Government of Switzerland both organizations have jointly developed a cloud-based electronic permit system offering automated support for permit application, processing, issuance and reporting.

The technical infrastructure of the core service is to be initially hosted and maintained by UNCTAD.



What UNCTAD is already doing

Trade and Gender

- The informal trading sector is vital source of employment for the poor, in particular for low-income and low-skilled women.
- Making trade rules and regulations more transparent for informal cross-border women traders
- Developing specific, gender focused initiatives to promote women entrepreneurship

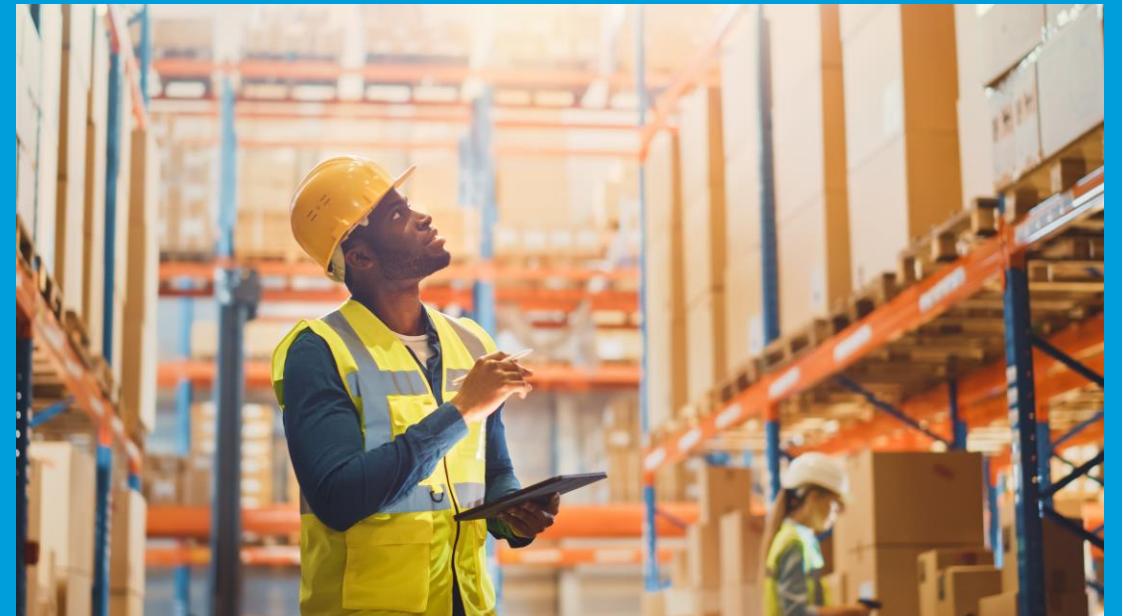


[Informal cross-border trade for empowerment of women, economic development and regional integration](#)

What UNCTAD is already doing

Commodities

- Trade misinvoicing may reflect smuggling of imports and exports, to avoid paperwork and delays in administrative authorizations and controls,
- Misinvoicing undermines developing countries' gains from commodity trade and reduces government revenue.
- UNCTAD analysis shows substantial levels of trade misinvoicing but the patterns vary substantially across countries, products and trading partners.



[Trade Misinvoicing in Primary Commodities in Developing Countries](#)

What UNCTAD is already doing

Trade-based Illicit Financial Flows

Africa Programme on Curbing trade-based Illicit Financial Flows offers:

- Risk assessment tool for trade-based IFFs
- Algorithms to detect customs fraud & software tool
- App to facilitate the collection of data on informal cross-border trade (ICBT) and its traders
- App to ease access to business and financial services like micro-credit for informal traders
- Research services on artisanal mining, informal trade and its link to IFFs
- Capacity building for parliamentarians and non-state actors

Our new mandate

UNCTAD has added illicit trade to its new work programme, the Bridgetown Covenant:

49. *For trade diversification to be effective in developing countries,It is also important to limit opportunities for **illicit trade** through relevant technologies and infrastructure.*

85. *.....addressing the challenge faced by many developing countries in the estimation of **illicit trade**, including the assessment of their impact on resource mobilization for development, specifically, and on national development strategies. Illicit trade creates a triple threat to the financing of development: crowding out legitimate economic activity, depriving Governments of revenues for investment in vital public services and increasing the costs of achieving the Sustainable Development Goals.*

*(rr) Continue its work on the negative impact of illicit financial flows on developing countries and support international efforts for the development of a methodology to produce estimates of the total value of inward and outward illicit financial flows and of **illicit trade**;*

What can UNCTAD do next?

- Consumer protection and international trade of unsafe products
- Consumer awareness raising on illicit trade goods/products
- The transition from illicit to licit trade using lessons learnt from informal women traders project
- Illicit trade and mis-invoicing in commodities markets
- The creative economy and the challenge of illicit trade
- Trade facilitation, governance gaps and illicit trade
- IUU fishing and illicit trade
- The relationship between the imposition of NTMs and increased illicit trade
- The role of financial services in reducing illicit trade through financial integrity policies

What can UNCTAD do next?

Ocean Economy

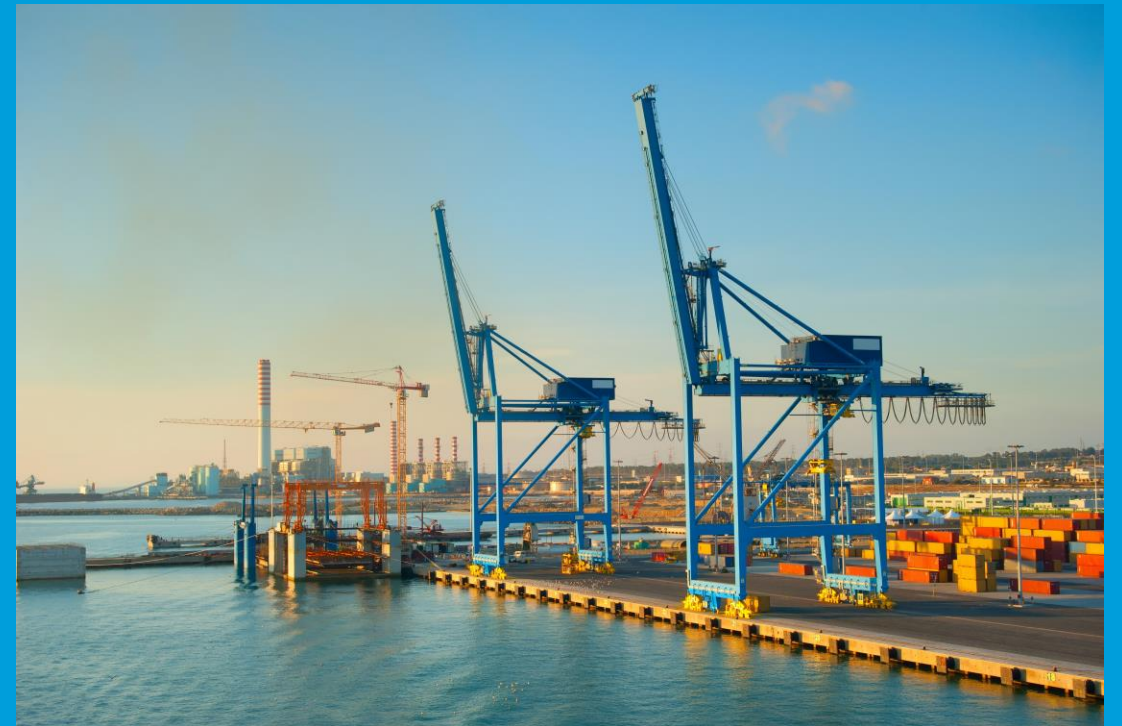
- IUU fishing, prohibited fisheries subsidies, and illicit trade flows pose a significant threat to fish stocks globally.
- Estimates show that roughly between 11-26 million tons of global fish catch are affected by IUU fishing. This accounts for \$10– 22 billion in unlawful or undocumented revenue
- The recently adopted WTO Agreement on fisheries subsidies represents a potential area for further work to ensure the effective operationalisation of the Agreement.



What can UNCTAD do next?

Non-Tariff Measures

- Non-tariff measures (NTMs) are a legal basis to define “what is illicit trade” at national, regional or international level.
- There are potential avenues for further research, which include the exploring instances for “havens” of illicit trade amongst non-members of CITES the relationship between the imposition of NTMs and illicit trade, and conducting of product-specific analysis to developed a targeted approach to prevent illicit trade.



What can UNCTAD do next?

Boosting financial integrity through financial services

- Financial integrity and transparency policies help combat money laundering and terrorism.
- UNCTAD helps member States to use finance for development.
- UNCTAD's tools help to identify best practices for financial integrity and "red flags" for illicit activity.



The importance of Co-operation

- UNCTAD recognizes the expertise and established work programs of numerous international organizations
- UNCTAD is cognizant of not replicating the work of other institutions
- UNCTAD calls for a coordinated and collaborative approach to addressing the serious harm of illicit trade.

Thank You.