



UNODC

United Nations Office on Drugs and Crime

*Expert meeting on statistical methodologies for measuring illicit financial flows
(IFFs)
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Technical framework and issues for the estimation of illicit drugs market related IFFs

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Estimating illicit drugs markets and related IFFs

- The role(s) that a country can play in illicit drugs market
 - Production/manufacturing
 - Transit (some transformation may be involved)
 - Destination (where the drugs are consumed)
- Several actors undertake transactions along the supply chain in the illicit drugs markets:
 - Grower/Manufacturer
 - Exporter
 - International wholesale trader
 - Domestic wholesale trader
 - Retail trader
 - Facilitators (local transporters, public officials taking bribes, licenced trader selling precursors illegally...)

Estimating illicit drugs markets and related IFF

Why is it essential to consider country role and actors?

COUNTRY

Differences in the

- nature
- amount
- direction (inward/outward)

of IFF along the illicit drug supply chain.

ACTORS

Different income

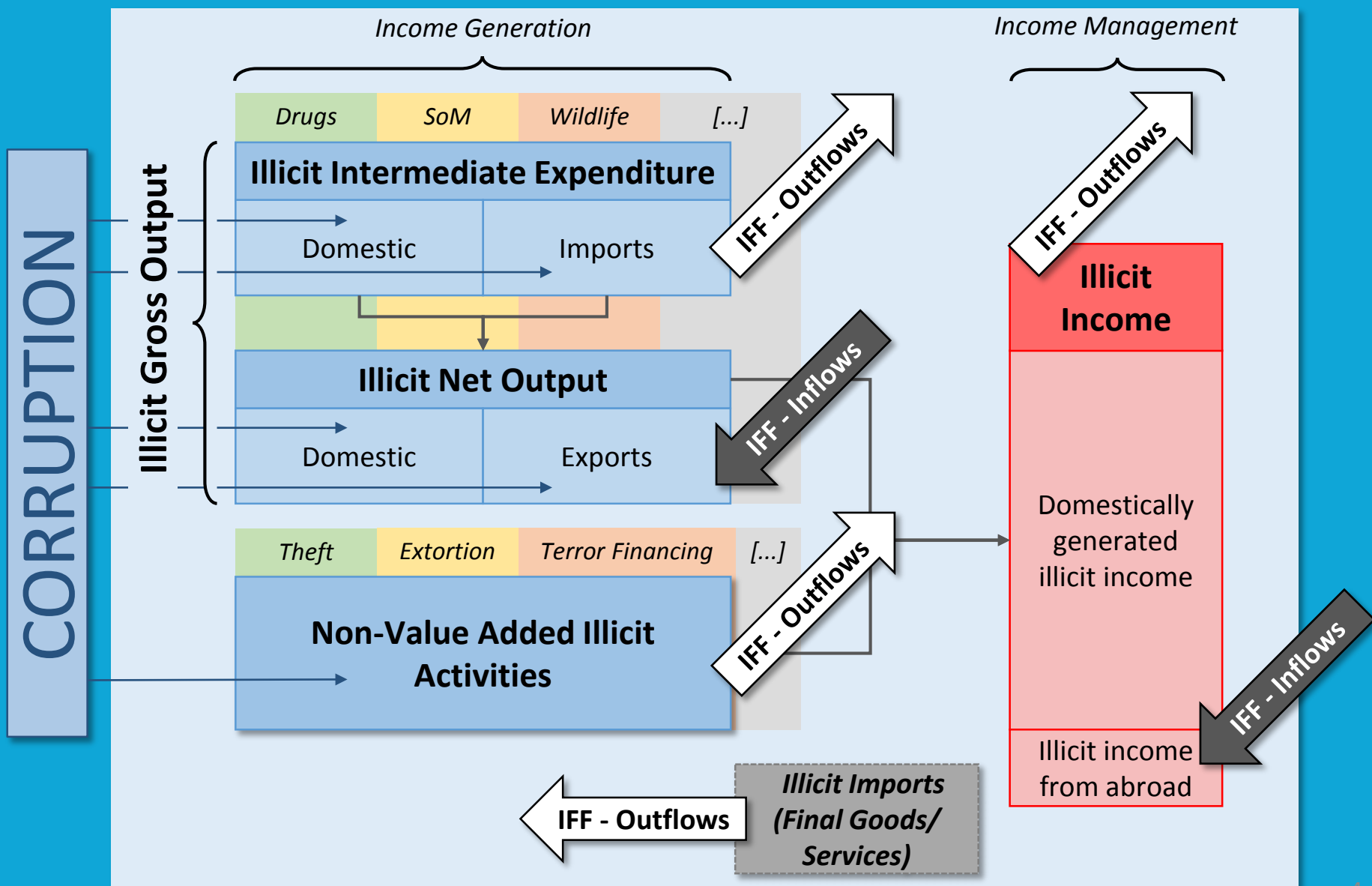


Different income *management* needs (propensity to consume/invest)

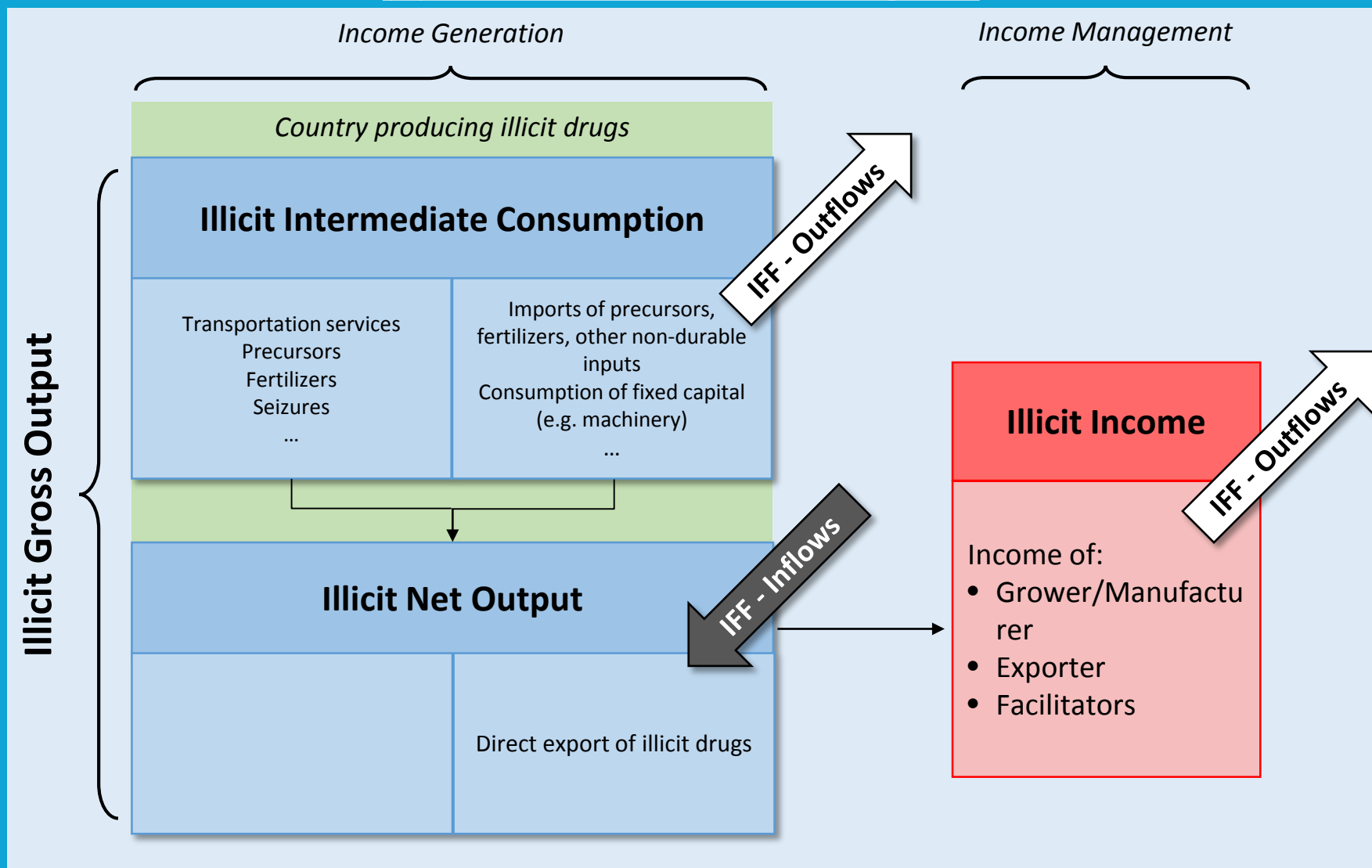


Different likelihood to move income abroad

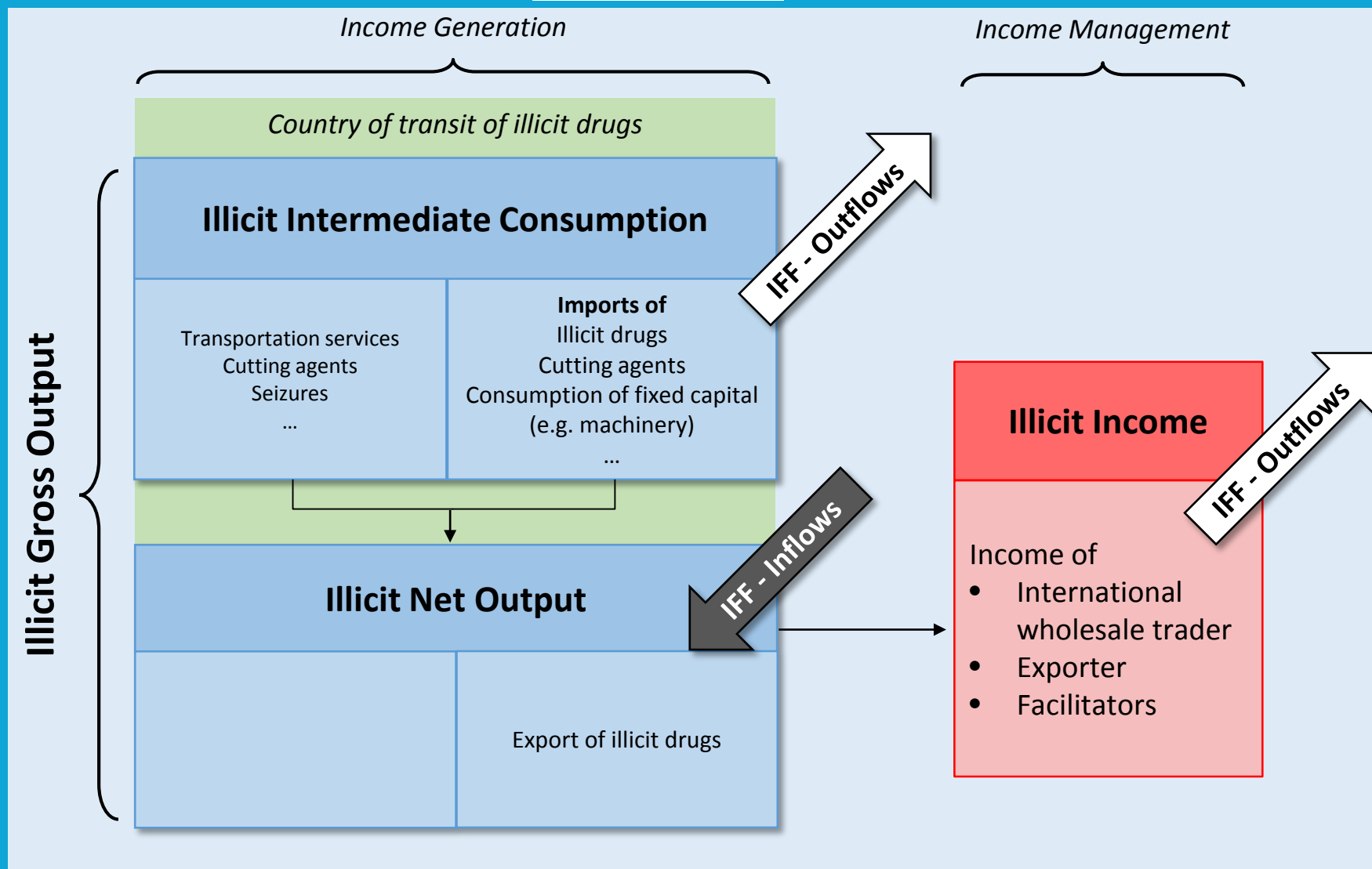
Statistical Framework for Measuring IFFs at Country-Level



IFF associated with illicit drugs market (1) Production/manufacturing role

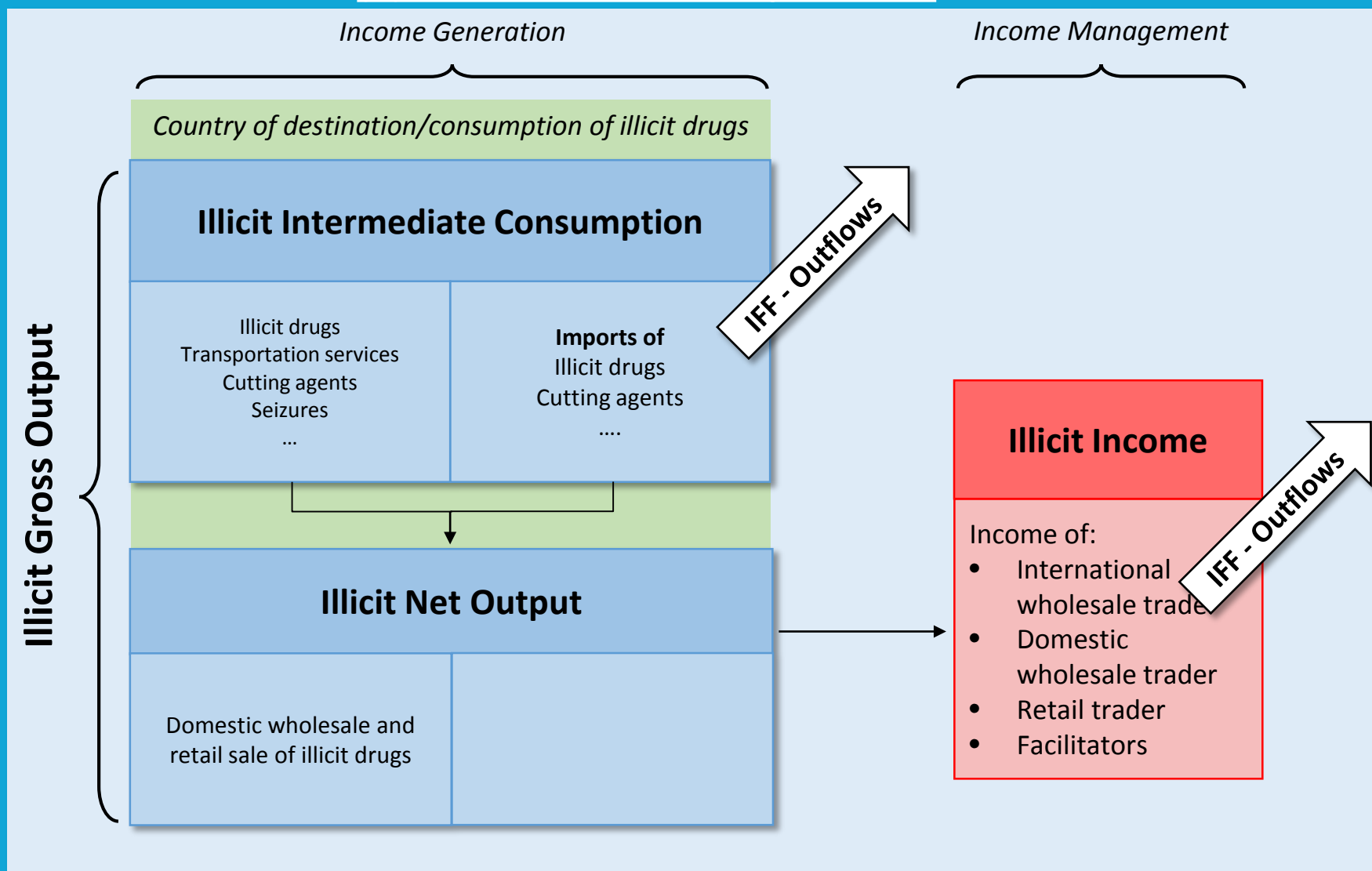


IFF associated with illicit drugs market (2) Transit role



IFF associated with illicit drugs market

(3) Destination/consumption role



IFFs from drug markets – Requirements and challenges to estimate *income generation* IFFs

Country role	Estimation requirements	Main estimation challenges	Sources of information
Production/ manufacture	<p><u>Quantity</u>: area under cultivation, yield, purity...</p> <p><u>Prices</u>: wholesale/export price</p>	<p>Exported quantities</p> <p>Destination</p> <p>Intermediate costs</p>	<p>Illicit crop monitoring data</p> <p>Cross border seizures</p> <p>LEAs data on wholesale prices, trafficking routes</p> <p>Statistics on drugs traffickers</p> <p>Case studies</p>
Transit	<p><u>Quantity</u>: purity/wholesale amounts</p> <p><u>Prices</u>: added value in transit country</p>	<p>Provenance/Destination</p> <p>Exported/traded quantities and prices</p> <p>Intermediate costs</p>	<p>Statistics on drug traffickers</p> <p>Cross border seizures</p> <p>Case studies</p>
Destination/ consumption	<p><u>Quantity</u>: purity retail amounts</p> <p><u>Prices</u>: domestic wholesale and retail prices</p>	<p>Provenance</p> <p>Consumed quantity</p> <p>Intermediate costs</p>	<p>Domestic seizures</p> <p>Prevalence of drug use data</p> <p>Data on consumed quantity</p> <p>Case studies</p>