

## CONCEPT NOTE

### 1. EXECUTIVE SUMMARY

**Brief description:**

Many forms of crimes are associated with illicit financial flows (IFF). Effectively countering IFFs is not only essential to combat organised crime and terrorism, but it is also central for limiting the erosion of resources that crimes are draining from many developing and developed countries. Despite the gravity of the problem, the monitoring of IFFs is difficult due to a lack of a consolidated statistical methodology to measure them. This project intends to develop a series of coordinated actions to review and test a statistical methodology to measure IFFs and to support the national statistical offices of five selected countries – Colombia, Ecuador, Mexico, Panamá and Peru - to implement it. The project will develop a methodology to measure illicit financial flows valid at a global level and will test the statistical tools in the selected countries. The project will also assist the national statistical offices of the five target countries in improving their statistical capacity to establish a sustainable process of collection and production of data for IFF monitoring. Finally, the project aims to raise understanding of IFFs and awareness about the importance of its monitoring among key decision-makers.

UNODC, with the support of the UNODC-INEGI Centre of Excellence for Crime Statistics on Governance, Victims of Crime, Public Security and Justice (CoE) will be the lead agency, responsible for overall supervision and management of the project. UNODC will partner with UNCTAD and ensure that expertise from ECLAC and ECA will be fruitfully utilized. The IFF estimated by UNODC are related to the following criminal markets: drug trafficking, trafficking in persons and illegal mining.

### ACRONYMS

AML	Anti-Money laundering
CEPAL	Comisión Económica para América Latina y el Caribe (see also ECLAC)
CoE	UNODC-INEGI Centre of Excellence for Crime Statistics on Governance, Victims of Crime, Public Security and Justice
CLP	Core Learning Partner
CTF	Counter-Terrorism Financing
EA	Expected accomplishment
ECA	Economic Commission for Africa
ECLAC	Economic Commission for Latin America and the Caribbean (see also CEPAL)
EGM	Expert Group Meeting
FIU	Financial Intelligence Unit
IA	Indicators of achievement
IAEG	Inter-Agency Expert Group
ICCS	International Classification of Crime for Statistical Purposes
IEU	Independent Evaluation Unit
IFF	Illicit Financial Flow
IMF	International Monetary Fund
INEGI	National Institute for Statistics and Geography, Mexico
ML	Money laundering
NGO	Non-governmental Office
NSO	National Statistical Office
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goal
TF	Terrorism Financing

ToR	Terms of reference
UN	United Nations
UNECA	United Nations Economic Commission for Africa
UNCTAD	United Nations Conference on Trade and Development
UNODC	United Nations Office on Drugs and Crime

## 2. BACKGROUND

### 2.1 Context

A large share of crime proceeds is illicitly channelled abroad, often to safe havens, to be laundered and re-utilized. Effectively countering illicit financial flows (IFF), within the broader context of preventing money laundering, is therefore central to fight organized crime in most of its forms, including drug trafficking, human trafficking, migrant smuggling, corruption and several other forms of illicit trafficking. IFF are also critical enablers for other forms of crime (whether organized or not), such as corruption and tax evasion, which constitute a threat to security by weakening the state and the institutions of law and order. Corruption erodes the functioning of the entire criminal justice system, and tax evasion reduces state revenues, weakening the state infrastructure generally; both, by their very nature, are intimately linked to the ability to transfer large amounts of money clandestinely.

Compared to the gravity of the problem, the quantitative evidence on IFF is poor. Apart from anecdotal evidence and some initial academic research, a good understanding of scale and patterns of IFF is still lacking and the methodology for measuring illicit financial flows is at its very early stages of development. International estimates have been produced on the basis of trade data<sup>1</sup> but they are subject to criticism due to their methodological weakness and lack of comprehensiveness<sup>2</sup>. At the same time, in absence of alternative data, such estimates are frequently used and it is therefore urgent to develop solid and tested methodology that can inform the policy debate in an accurate and transparent manner.

The development of a solid methodology to measure IFFs is also needed to comply with the data requirements stemming from the global SDG indicator framework. The UN Statistical Commission has identified the indicator “*Total value of inward and outward illicit financial flows (in current United States dollars)*” as the global metric to monitor 16.4 target (“*By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime*”), together with another indicator on illicit firearms trafficking. The Inter-Agency Expert Group on SDGs (IAEG-SDGs) has tasked UNODC, together with UNCTAD, to develop an appropriate methodology to measure IFFs that can be used by national statistical authorities to produce relevant estimates.

This project intends to develop a series of coordinated actions to review and test a statistical methodology to measure IFF and to support the national statistical offices of the five target countries to implement it. UNODC will be the lead agency, responsible for overall supervision and management of the project. UNODC will partner with UNCTAD and ECLAC: UNODC will bring to the project its experience in developing international statistical standards, working with national official statistical systems and estimating crime proceedings and market size of illicit activities, UNCTAD will bring its expertise in trade statistics and macro-economic research and ECLAC, as the regional arm of the UN contributing to the economic and social development of Latin America and the Caribbean, will provide expertise related to its long-standing tradition in measuring, monitoring and interpreting illicit and informal activities, especially in the context of national accounting. The CoE will bring its experience in the region in implementing capacity building activities in the area of statistics on crime and in promoting methodological research on illegal activities. Furthermore, the CoE has developed a wide network of substantive experts on issues related to measurement of criminal activities.

The geographical focus of the project will be in countries where there is strong interest on measuring illegal economy

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<sup>1</sup> Global Financial Integrity (2015), *Illicit Financial Flows from Developing Countries 2004-2013*, Dev Kar and Joseph Spanjers, Global Financial Integrity, Washington, DC, available at [http://www.gfintegrity.org/wp-content/uploads/2015/12/IFF-Update\\_2015-Final-1.pdf](http://www.gfintegrity.org/wp-content/uploads/2015/12/IFF-Update_2015-Final-1.pdf)

<sup>2</sup> Nitsch, Volker (2016) : *Trillion dollar estimate: Illicit financial flows from developing countries*, Darmstadt Discussion Papers in Economics, No. 227, <http://nbn-resolving.de/urn:nbn:de:tuda-tuprints-54379>

and related illicit financial flows and, furthermore, there are sufficient capacities to test methodological instruments and statistical data to produce estimates in these areas. The five countries selected for this project (Colombia, Ecuador, Mexico, Panamá and Peru), and their respective national statistical offices, fit such requirements and have already expressed interest to develop methodologies to measure proceedings of illicit activities and reflect them in national accounts estimates.

## **2.2 Mandates, comparative advantage and link to the Programme Budget**

**United Nations Office on Drugs and Crime (UNODC)** - Works with Member States to enhance their responses to the interconnected problems of drug use, illicit drug trafficking, trafficking in human beings and firearms, transnational crime, corruption and terrorism. To achieve this, UNODC helps member States to create and strengthen legislative, judicial and health systems to better safeguard their populations, especially the most vulnerable persons. Through its Division for Policy Analysis and Public Affairs, UNODC issues international statistics on crime, based on responses to the annual crime trend survey and international statistics on illicit drugs, based on responses to the annual report questionnaire. It provides expert advice to Member States on drugs and crime surveys (surveys on drug use, drug cultivation and production, corruption, crime victims, etc.), and advice to Governments, national and international organizations and institutions on a wide range of scientific and technical issues. UNODC is the custodian of the International Classification of Crime for Statistical Purposes (ICCS), endorsed in 2015 by the UN Statistical Commission and the UN Commission on Crime Prevention and Criminal Justice, as an international statistical standard for data collection.

### **UNODC-INEGI Centre of Excellence in Statistical Information on Government, Crime, Victimization and Justice (CoE)**

The Centre of Excellence for Crime Statistics on Governance, Victims of Crime, Public Security and Justice (CoE) is joint project by UNODC and the Statistical Office of Mexico (INEGI) that contributes to the development of methodologies and best practices in the area of crime and criminal justice statistics. It provides technical assistance and training for countries in the Latin America and the Caribbean. The Centre of Excellence was created in 2010 with the purpose of initiating technical cooperation activities between the United Nations Office on Drugs and Crime (UNODC) and National Institute of Statistics and Geography of Mexico (INEGI). Its main objective is to strengthen statistical, analytical and monitoring capacities in the fields of government, victimization, public security and justice. The Centre provides technical assistance to countries in the region to improve the quality and quantity of crime statistics, public security, corruption, government and justice through surveys and administrative records, organizes on-line and on-site training activities and promotes international methodological standards. It is also involved in the development of research projects and new methodologies and tools for analysing and measuring phenomena related to conventional and emerging crime (organized crime), public safety, victimization, justice and government. The Centre of Excellence contributes to the development and implementation of the International Crime Classification for statistical purposes (ICCS).

*Objective:* Enhanced knowledge of thematic and cross-sectoral trends and issues for effective policy formulation, operational response and impact assessment, based on a sound understanding of drugs and crime issues.

*EA:* Increased capacity to produce and analyse statistical data on trends including those in emerging drug and specific crime issues.

**Economic Commission for Latin America and the Caribbean (ECLAC)** - promotes the economic, social and environmentally sustainable development of Latin America and the Caribbean through international cooperation, by undertaking applied research and comparative analysis of development processes and providing the relevant normative, operational and technical cooperation services in support of regional development efforts. ECLAC fosters economic integration at the sub-regional and regional levels, to promote the implementation of the post-2015 development agenda and the sustainable development goals and to facilitate sustainable development by helping to bridge economic, social and environmental gaps between and among countries in the region and the industrialized economies. Through its Statistics Division, ECLAC carries out training workshops on basic statistics, national accounts and satellite accounts, foreign trade in goods and services, and price indexes; and on topics relating to poverty, income distribution, employment, social cohesion and vulnerability; and seminars on development of environmental statistics and accounts and the post-2015 development agenda monitoring framework and its indicators. Through its Economic Development Division, ECLAC pursues its goal to promote equitable long-term economic growth and the effective

generation and allocation of financial resources to support development and equality through a threefold strategy: the systematic monitoring of macroeconomic policies and reforms; the evaluation of their impact in terms of sustainability, efficiency and equity; and substantive support for the formulation and implementation of these policies by governments. Through its Fiscal Affairs and Financing for Development units the Division conducts research on emerging macroeconomic issues (including illicit financial flows), creates spaces for countries of the region to dialogue and share experiences and provides technical assistance in the area of macroeconomic policymaking

*Objective:* To improve the production, dissemination and use of quality and timely statistics for evidence-based decision-making in the economic, social and environmental fields in the region.

*EA :* Increased technical capacity of Latin American and Caribbean countries to monitor economic, social and environmental trends and to formulate evidence-based policies.

*Objective:* To achieve sustainable and inclusive economic growth in Latin American and Caribbean countries by enhancing the design and implementation of suitable macroeconomic policies and the efficient generation and allocation of necessary financing for development resources.

*EA:* Strengthened capacity of policymakers and other stakeholders in Latin America and the Caribbean to analyse current and emerging macroeconomic and development financing issues."

**United Nations Conference on Trade and Development (UNCTAD)** – Assists developing countries, especially the least developed countries, and countries with economies in transition, in integrating beneficially into the global economy in support of inclusive and sustainable growth and development. Through its work to promote development-centred globalization, UNCTAD helps to implement the global development agenda and assists developing countries in meeting their development goals, including poverty eradication, improving the well-being of citizens and addressing the opportunities and challenges created by globalization. Through its Division on Globalization and Development Strategies, technical assistance is conducted at the national and regional levels to support developing countries and countries with economies in transition to improve their statistical capacity in the area of trade and development.

*Objective:* To promote economic policies and strategies at all levels for sustained growth, inclusive and sustainable development, full employment and decent work for all, and poverty eradication in developing countries, especially least developed countries.

*EA:* Improved access to reliable and timely statistics and indicators highlighting the interlinkages between globalization, trade and development for decision-making on economic policies and development strategies.

### **2.3 Link to the SDGs**

The 2030 Development Agenda sets out to significantly reduce illicit financial flows as one of the targets associated with Goal 16 (Target 16.4: By 2030, significantly reduce illicit financial and arm flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime). In the list of indicators approved by the UN Statistical Commission (47th Session, March 2016), one of the two indicators identified to monitor this target is 'Total value of inward and outward illicit financial flows, in USD'. UNODC has been indicated as a custodian agency for this indicator, for which an established methodology and data collection system are to be built. The project will contribute to the implementation of this indicator and will assist the national statistical offices of target countries to include it in their regular statistical system.

## **3. ANALYSIS**

### **3.1 Problem analysis**

Illicit financial flows, both inwards and outwards, represent a global threat: proceeds of crimes of any nature can be moved from one country to another to disguise their origin and/or to be used for illegal purposes. Despite the seriousness of the problem, there have been only a very limited number of attempts in estimating IFFs size and the role of national statistical systems in this regard has been minimal.

The first problem associated with IFF measurement is a lack of a consolidated definition to be used for statistical purposes;; secondly, of a tested and transparent methodology to estimate the size of IFFs at the national, regional and global level, in a way that is fully consistent with existing statistical frameworks, namely National Accounts and Balance of Payment statistics and, thirdly, of the involvement of national statistical authorities in a way that the measurement of IFFs can become part of regular outputs of national official statistics.

For these reasons, this project intends to implement a series of coordinated actions to build a set of methodological tools and procedures, to test the methodology with Statistical Offices of the countries targeted for the action, with the final aim of enhancing statistical capacity and awareness about IFFs measurement challenges and findings.

### 3.2 Country level problem analysis

While IFF are a global issue, countries in Latin America are facing a number of challenges related to different types of criminal activities (illicit drug trafficking, trafficking in persons and illegal, mining). These criminal offences generate significant amounts of money of illegal origin. To disguise such origin, illicit funds are moved within and outside the region, often to tax havens, resulting in an uncontrolled movement of capitals. Research carried out by ECLAC suggests that the volume of illicit financial flows from Latin America and the Caribbean are significant (ECLAC “Estudio Económico”<sup>3</sup>, 2016) and this is a source of primary concern for governments as they boost activities of organized crime and because of revenue losses associated with illicit financial flows. Moreover, the uncontrolled flows of illicit money can have unpredictable consequences at macroeconomic and social level.

As discussed above, IFFs represent a global threat affecting all countries of the world with different degree, and this requires to focus on the activities of IFF statistical definition and methodology of estimate at global level. Testing of the methodology and capacity building activities will be focused on the countries of Latin America (Colombia, Ecuador, Mexico, Panamá and Peru) selected according to the following criteria:

- Expression of interest of the national statistical agency/system to be involved in the project, and willingness to share information, expertise or statistical capacity support to collect or produce data relevant for IFFs estimate.
- Relevance of the issue in the country
- Sufficient technical capacity to support the development of statistical tools and to ensure the sustainability of statistical process to collect data and produce IFFs estimates in the long run.

Table 1 – Country analysis

Peru	The National Statistical Office (INEI) is in charge of the Integrated System of Crime Statistics and Citizen Security which integrates datasets from different authorities. This system includes common crime but also contains data on difficult-to-measure crimes. INEI is very much interested in developing statistical methods on the economic value of illegal activities and of their utilisation, including on Illicit Financial Flows.	Testing of methodologies to measure IFFs to/from the country and feasibility analysis of producing such estimates on a regular basis in the framework of National Accounts and Balance of Payment statistics
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### 3.3 Stakeholder analysis and capacity assessment

Table 2 – Stakeholder Analysis

Non UN Stakeholders	Type and level of involvement in the project	Capacity assets	Capacity Gaps	Desired future outcomes	Incentives
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<sup>3</sup> Comisión Económica para América Latina y el Caribe (CEPAL), *Estudio Económico de América Latina y el Caribe*, 2016 (LC/G.2684-P), Santiago, 2016..

<b>National statistical offices (NSOs)</b>	NSOs represent the key stakeholder for the improvement and consolidation of the national statistical capacity in the production and analysis of data relevant for IFFs estimate, and can be involved in the data collection phase, and in the methodology development and testing.	National statistical offices have the expertise, the instruments and the capacity to effectively contribute to the development of the methodology, to create a standardized framework to ensure a regular data collection. Expertise in national accounts and balance of payments statistics are a specific asset.	Due to a lack of a consolidated methodology to measure IFFs, NSOs have limited experience on this specific topic.	Develop and consolidate the statistical capacity to systematically collect data relevant for the measurement of IFF and develop strategies and practices for a sustainable process of data collection and production in the long run.	Reinforce the role to produce key data on policy relevant issues. The involvement of NSOs can also bring to better data on related issues such as estimate of illegal economy in national accounts and balance of payment statistics.
<b>Financial regulatory and monitoring institutions (Central Banks, Financial Intelligence Units (FIUs) and Financial Authorities)</b>	They are key to provide substantive expertise on practices and types of IFFs and on some relevant data (such as on suspicious financial transactions or data on cash use). They can bring expertise on IFFs mechanisms/drivers and in the identification of areas of the monetary and financial/banking systems most vulnerable to IFF.	The key assets of financial intelligence units, financial authorities and central banks are represented by the substantive expertise on financial and monetary transaction, including illegal financial transactions.	The limited knowledge of the inwards and outwards IFFs, and the absence of a consolidated instrument to measure them is currently limiting the ability to understand the extent and the impact that IFFs have on the macroeconomic and monetary systems.	The development and improvement of a permanent statistical capacity in the area of IFF can enhance the information flows to FIUs and to financial authorities. The project can improve also evidence-based action to curb the factors attracting illicit proceeds or facilitating illegal capital flight, and can facilitate the activity of reporting and monitoring targets for sustainable development.	The knowledge of IFF is essential to guarantee the stability of the country's financial, monetary and economic system and increase the effectiveness of action in the areas of anti-money laundering and counter terrorist financing.
Policy makers	Selected policy makers and senior staff of relevant Ministries (such as representatives of financial and economic ministries), as key actors in the definition and implementation of evidence-based policies, can provide information about specific policy needs and increase the awareness about the importance of developing the methodology.	Policy makers have a range of legal, administrative or governmental instruments to support the development of the statistical capacity and can guarantee allocation of resources to maintain the statistical capacity in the long run. Policy makers also have the instruments to raise the awareness on the topic.	The absence of a methodology to measure and monitor IFFs restricts the ability to take informed policy actions and makes difficult to allocate resources to fund development goals.	Increased effectiveness of the policy action aimed at reducing country-level and regional vulnerabilities and threats to illicit financial flows and countering organized crime and terrorist activities. Increased coordination with NSOs and financial institutions to exchange data and monitor IFF.	Establishment of a system to monitor IFFs as a tool to develop effective policies to achieve the 2030 Agenda.

NGOs/Research institutes/Academia	Selected NGOs, researchers and academics will be invited to join project activities according to their relevant expertise in the phase of methodology definition and in the phase of model testing. Experts in the field can provide knowledge on trends, mechanisms and drivers of IFFs, as well and on the available methodologies to measure phenomena associated with IFF (such as illegal economy).	The project can benefit from ability of NGOs, researchers and academics to raise awareness and enhance understanding about IFFs and from substantive knowledge about organized crime and IFFs mechanisms and drivers.	NGOs and research institutes have often limited expertise on conceptual and operational frameworks used in official statistics; moreover, they often have limited access to primary data used for the production of economic data and in relation to illicit activities.	Development of shared and consolidated methodology, that represent the result of a large and inclusive process and a shared asset accessible to all stakeholders, including NGOs and academia/research centres.	The development of consolidated statistical standards represents the recognition of the importance to measure and fight the issue of IFFs, the ultimate goal of all interested counterparts.
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#### 4. PROJECT STRATEGY: OBJECTIVE, EXPECTED ACCOMPLISHMENTS, INDICATORS, MAIN ACTIVITIES

##### 4.1 Project Strategy

The following sections are focussing on the UNODC illicit markets IFF perspective (illegal drug trafficking, trafficking in persons and illegal mining). In the view to produce Illicit Financial Flows estimates to monitor SDG Target 16.4, the project will align the strategy to the two main expected accomplishments (EAs) of the project, namely

**EA1:** Improve the statistical capacity of target countries to measure IFFs as a result of the development of statistical methodologies related to the following markets: drug trafficking, trafficking in persons and illegal mining.

**EA2:** Enhanced understanding and awareness among national stakeholders and policy-makers about IFF types and magnitude.

##### a) **Strategy for the achievement of EA1 - Improved statistical capacity of target countries to measure IFFs as a result of the developed Statistical methodology**

To develop the methodology, the project will undertake a broad, inclusive and evidence-based process of research to review and discuss the possible methodological approaches. This process will require to (a) identify a standardized definition of illicit financial flows for statistical purposes; (b) review and assess existing and innovative approaches for the development of the methodology; (c) identify possible methodological approaches and underlying data - consistent with statistical definitions - that can be used to estimate various segments of IFFs; (d) test selected methodological approaches with national statistical offices of target countries and (e) technical assessment of the methodological approaches and selection of those most suitable for measuring IFFs at national and international level.

To develop the statistical definition of IFFs and the suitable methodological approach(es), the process will ensure broad and evidence-based technical discussions with experts at the local and global level. Expert consultation will involve the participation of representatives of NSOs (from National Accounts, Balance of Payments and Crime/Criminal justice Statistics), International Agencies, selected representatives in financial institutions and FIUs, senior level policy makers, and relevant experts from NGOs, research centres and the academia. Furthermore, relevant inputs will be collected from existing networks and processes active at international level in the area of Illicit Financial Flows to ensure substantive

relevance of methodological work.

The validation of selected methodological approaches will be undertaken through a process of testing in the selected target countries on the basis of statistical principles commonly in use within national official statistics. Pilot studies will be conducted for selected illegal activities in the five target countries. The pilot study should focus on the estimation of crime proceeds from illicit drug trafficking, trafficking in persons and illegal mining and of the portion of such proceeds that is transferred abroad, thus generating IFFs.

**b) Strategy for the achievement of EA2 - Enhanced understanding and awareness among national stakeholders and policy-makers about IFF types and magnitude**

To fully achieve the objective of enabling the measurement and monitoring of illicit financial flows in target countries, the project will undertake some steps that should raise consensus about the need to monitor IFFs and its sustainability in the long run. It is necessary to increase awareness about the seriousness of the threat posed by IFFs, as well as on the need to strengthen and improve statistical tools for IFFs monitoring. The dissemination of the methodology adopted for IFFs measurement and of the result of the testing process will be useful both to increase awareness about IFFs and to give value to the exercise.

A set of activities will be implemented for the achievement of EA2, such as: (a) conducting national workshops in target countries to present methodological approaches to produce IFF estimates - based on results from previous activities - and to discuss how to tailor them to national data sources, skills and methodologies. National workshops will include one technical session to discuss methodological issues and one information/communication session to foster interaction and mutual understanding between data producers and a large range of data users (policy makers, NGOs, researchers, etc.); (b) produce one final report on the measurement of IFF which will include an analytical brief to describe scope, typologies and patterns of IFF in the selected countries and/or for selected IFF typologies. The analytical brief will make use of methodological approaches previously developed and it will illustrate policy issues connected to IFFs. The final report will also describe the methodological approaches developed by the project; and (c) conduct one regional seminar to present overall findings on IFF estimation methodologies and available analyses of IFFs scope, typologies and patterns. The seminar will target both data producers and main data users (policy makers, researchers, NGOs), with the dual objective of promoting mechanisms to produce IFF estimates on a regular basis and of enhancing understanding of IFF extent and typologies among a broad range of stakeholders.

Technical national workshops in the target countries and regional seminar will be held to familiarize staff from national institutions and policy makers on IFF types and their magnitudes. In addition, a final report on the measurement of IFF which will include an analytical brief to describe scope, typologies and patterns of IFF in the selected countries and/or for selected IFF typologies will be produced. These activities will be done with a goal to help countries produce data and indicators to monitor SDG 16 (Target 16.4: By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime).

The proposed indicators of achievement (IAs) are:

- IA 1.1** New statistical methodology to estimate IFF discussed and validated in Expert Group Meetings, with the participation of representatives of national statistical offices, international agencies and selected experts from a wide range of developing and developed countries.
- IA 1.2** New methodology successfully tested in target countries and plans are made to implement IFF methodology in regular data production.
- IA 2.1** The final report is widely used as reference source for the measurement and analysis of IFF in target countries and internationally
- IA 2.2** Policy-makers from target countries attend the final regional seminar

## **4.2 Logical Framework**

*Table 3 – Logical Framework*

<u>Intervention logic</u>	<u>Indicators</u>	<u>Means of verification</u>
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<b>Objective</b> To increase understanding and national capacities to measure and monitor illicit financial flows related to drug trafficking, trafficking in persons and illegal mining in target country.		
<b>EA 1</b> <b>Improved statistical capacity of target countries to measure IFFs as a result of the developed statistical methodologies related to drug trafficking, trafficking in persons and illegal mining.</b>	<b>IA 1.1</b> New statistical methodologies to estimate IFF discussed and validated in Expert Group Meetings, with the participation of representatives of national statistical offices, international agencies and selected experts from a wide range of developing and developed countries.	Statistical Methodologies related to drug trafficking, trafficking in persons and illegal mining to estimate IFF published on UNODC web site
	<b>IA 1.2</b> Number of pilot countries producing preliminary IFF data on selected IFF typologies according to the new methodology related to drug trafficking, trafficking in persons and illegal mining	Report from the IFF pilot related to drug trafficking, trafficking in persons and illegal mining
	<b>80 % of participants from target countries are satisfied with the training.</b>	Survey of training participants published as part of Training report on UNODC website.
<b>Main activity A 1.1</b> Conduct methodological research on IFFs measurement by producing scientific papers on the following topics: conceptual and operational definition of IFFs (drug trafficking, trafficking in persons and illegal mining), methodological assessment of existing approaches to measure IFFs, exploration of new methods/approaches to measure IFFs.		
<b>Main activity A 1.2</b> Organize Expert Group Meeting (EGM) to discuss conceptual and operational definition of IFFs (for statistical purposes), assess existing approaches to measure IFFs and explore new methods/approaches to measure IFFs. Participants of the EGM will be representatives of the national statistical office (from both developed and developing countries).		
<b>Main activity A 1.3</b> Conduct pilot studies to assess or test suitable methodologies to measure IFF: pilot studies will be conducted in the target country, for selected illegal activities (illegal drug trafficking, trafficking in persons and illegal mining)		
<b>Main activity A 1.4</b> Organize final workshop at international level to discuss results of pilot studies, identify the most appropriate methodological approaches, disseminate the new IFF estimation methodology and discuss next steps to assist national statistical offices of the target countries in its implementation. Participants of the workshop will be representatives of national statistical offices, international agencies and selected experts.		
<b>Main activity A 1.5</b> Conduct training modules for the production of IFF data on the basis of results from pilot studies and the implementation of the new methodology in target country. Findings and lessons learnt from pilot studies (A1.3) and outcomes of national workshop (A2.1) will be used to develop training curricula.		
<b>EA 2</b> <b>Enhanced understanding and awareness among national stakeholders and policy makers about IFF types and magnitude</b>	<b>IA 2.1</b> The final report is used as reference source for the measurement and analysis of IFF in target countries and internationally.	Number of page views and/ or downloads of the final report published on UNODC website.

	<b>IA 2.2</b> 80% of policy makers participating in regional seminar indicate increased understanding on IFFs.	Survey of policy makers that participated in the regional seminar published as part of the Regional seminar report.
<b>Main activity A 2.1</b> Conduct national workshops in target countries to present methodological approaches to produce IFF estimates - based on results from previous activities - and to discuss how to tailor them to national data sources skills and methodologies. National workshops will include one technical session to discuss methodological issues and one information/communication session to foster interaction and mutual understanding between data producers and a large range of data users (policy makers, NGOs, researchers, etc.)		
<b>Main activity A 2.2</b> Produce one final report on the measurement of IFFs which will include an analytical brief to describe scope, typologies and patterns of IFF in selected countries and/or for selected IFF typologies. The analytical brief will make use of methodological approaches previously developed and it will illustrate policy issues connected to IFFs. The final report will also describe the methodological approaches developed by the project.		
<b>Main activity A 2.3</b> Conduct one (1) regional seminar to present overall findings on IFF estimation methodologies and available analyses of IFFs scope, typologies and patterns. The seminar will target both data producers and main data users (policy makers, researchers, NGOs), with the dual objective of promoting mechanisms to produce IFF estimates on a regular basis and of enhancing understanding of IFF extent and typologies among a broad range of stakeholders.		