



United Nations
Office on Drugs and Crime



Conceptual Framework for the Statistical Measurement of Illicit Financial Flows

Development Account Project – T15: Measuring and curbing illicit financial flows

International Webinar on Measuring Illicit Financial Flows (IFFs)

Online meeting, organized by ECLAC

18-20 November 2025

Outline

2030 Agenda for Sustainable Development and illicit financial flows (IFFs)

Key milestones

Definition and classification of IFFs

Income generation vs income management IFFs

Measurement principles and benefits

Methods testing and guidance

2030 Agenda for Sustainable Development

Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- **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
- **Indicator 16.4.1:** Total value of inward and outward illicit financial flows (in current US Dollars)
- **UN Trade and Development (UNCTAD) and UNODC**, as co-custodians of indicator 16.4.1, are mandated to identify agreed statistical methodology and collect the data

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Key milestones

1 From 2017

Agree on a definition and select methods through:

- **Global expert consultations**
- **Task Force** on the statistical measurement of illicit financial flows, incl. IMF, OECD, member states etc.

2 October 2020

The first *Conceptual Framework for the Statistical Measurement of Illicit Financial Flows*

3 March 2022

Concepts and methods **endorsed** at the **53rd UN Statistical Commission**

4 March 2023

First data reported for SDGs after **country pilots** that started in 2018



Definition and classification



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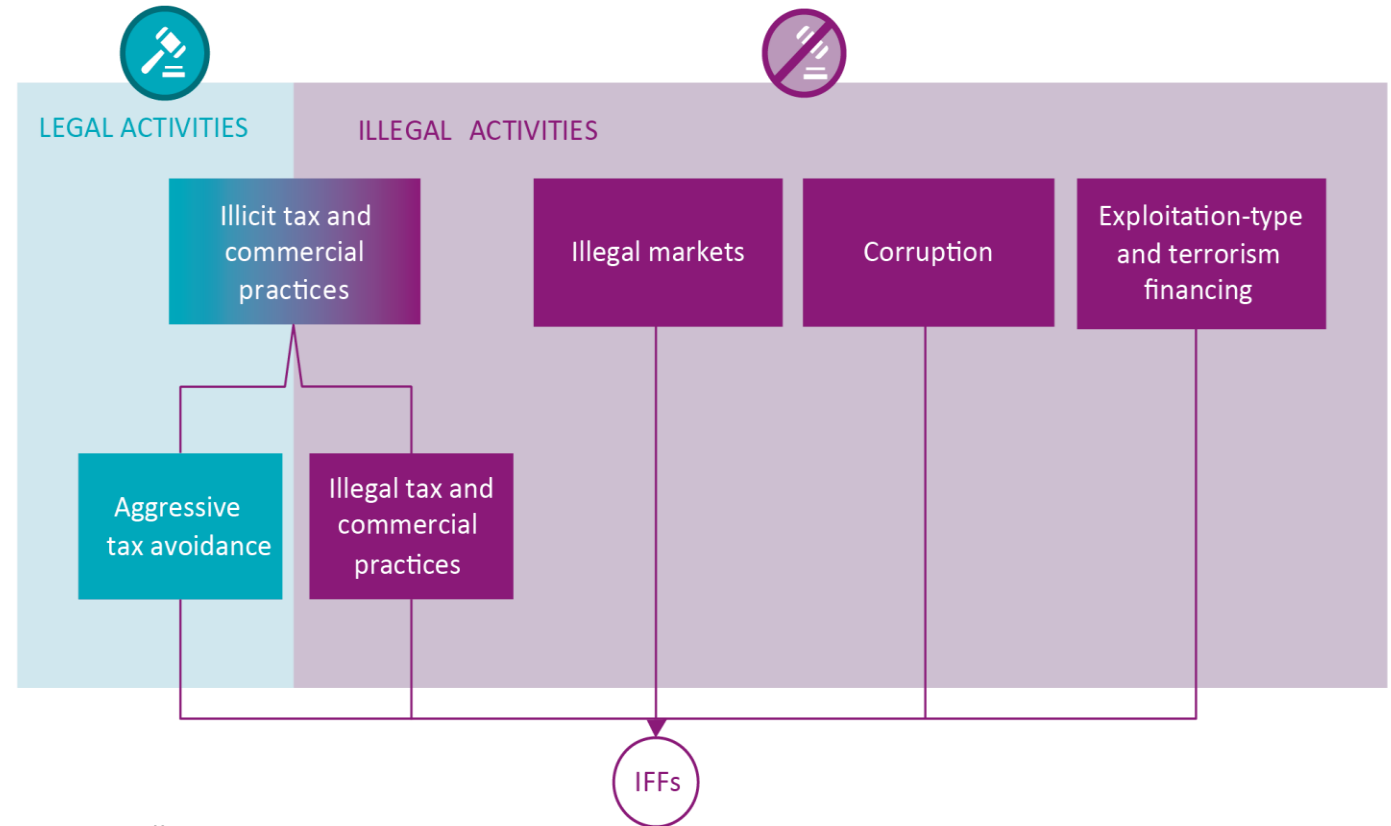


Definition for statistical purposes:

Illicit financial flows are “*Financial flows that are illicit in origin, transfer or use, that reflect an exchange of value and that cross country borders.*”

Core elements

- ✓ **Illicit** -> not only illegal
- ✓ **Cross-border** -> not domestic, “resident”/“non-resident” rule
- ✓ **Flows** -> no stock, no net flows
- ✓ **Exchange of value** -> not limited to financial assets. Any transaction form involving **any type of assets** (cash, precious metals, cars...)



Income generation / income management



Income generation

Set of cross-border transactions that are either performed in the context of the **production of illicit goods and services** or **generate illicit income for an actor during a non-productive illicit activity**.

- Linked to illicit markets and their functioning.
- Transnational supply and demand of illicit goods and services.



Income management

Set of cross-border transactions that **use illicit income to invest** in financial and non-financial assets **or to consume** goods and services

- IFFs to manage income generated from illicit activities.
- Linked to consumption and investment patterns.

Separate accounting of income generation and income management can help reduce risks of double counting and allow consistency with the SNA, BoP and other statistical frameworks.



Measurement principles and benefits

Disaggregated: separate estimates for each IFF type

Bottom-up approach: starts from estimation of the value generated by illicit activities, to derive the amount of proceeds available for domestic and cross-border laundering (IFFs)

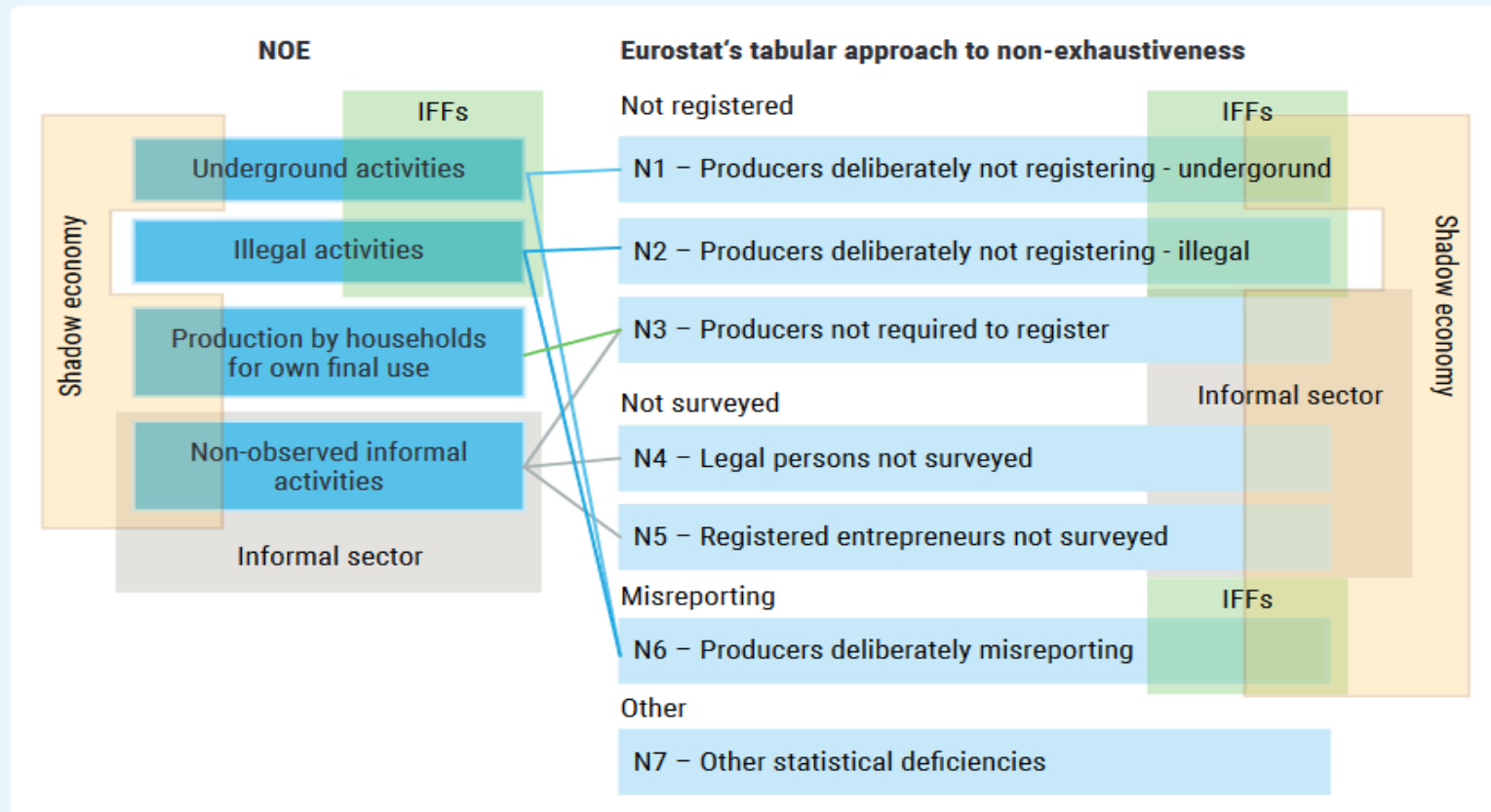
Comprehensive: encompasses all main types of illicit activities that cause IFFs

Country-Level: Allows to measure IFFs at the level of countries (in line with SDG indicator framework)

Compatible: Aligned to established concepts and standards from economics and accounting (system of national accounts and balance of payments)

Illicit financial flows and non-observed economy

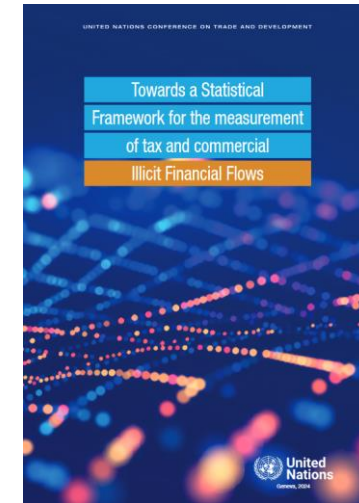
Figure 14 Links of illicit financial flows to related concepts



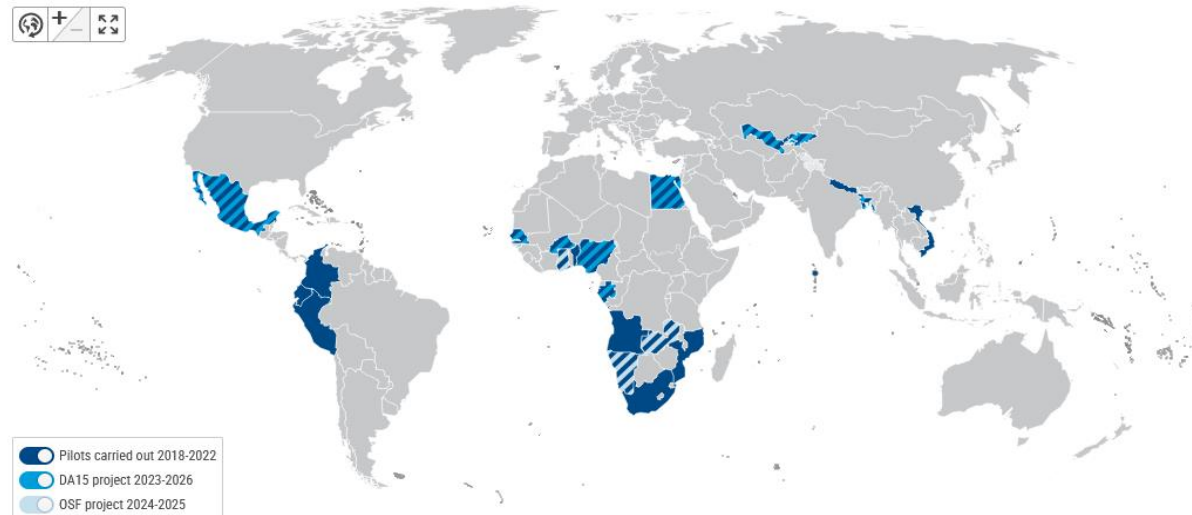
Source: UNCTAD (2021)

Methods testing and guidance

- Method testing pilots in 22 countries completed, further methodological refinement in 12 countries (2023-2026)



➤ **Map 1. 22 countries have studied the measurement of IFFs in 2018-2022 and twelve countries will do so between 2023 and 2026**



Source: UNCTAD and UNODC
Note: Situation reflected on the map as of April 2024

- IFF statistical framework expected for 2025-2026 - aggregating estimates tax/commercial and crime IFFs.
- Exploring opportunities to measure IFFs in Satellite/Thematic Accounts.
- Forthcoming guidance from UNODC on measuring crime-related IFFs

Thank you!



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