



“IPS177: Measuring illicit financial flows in official statistics”.

## **The challenges of measuring illicit financial flows: the case of Latin America**

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### **Abstract:**

Illicit financial flows (IFFs) are relevant for different policy areas, including the promotion of sustainable economic growth (as IFFs discourage public and private investment, hampering structural transformation), the strengthening of state institutions (due to erosion of the tax, weakening state institutions) and the effective combat on transnational organized crime (that launders money to conceal the proceeds of crime).

This was reflected by the 2030 Agenda for Sustainable Development, which included in Target 16 the specific goal 16.4 “by 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime” which progress should be measured as the Total value of inward and outward illicit financial flows (in current United States dollars).

UNODC and UNCTAC together with experts from different fields and regions around the world drafted a methodological and statistical framework for measuring illicit financial flows in legal and illegal activities. The framework and methodological guidelines to measure IFFs from illegal market activities were tested between 2018 and 2020 in different countries of Latin America, namely Colombia, Ecuador, Mexico and Peru.

This presentation features the results of applying the framework in four countries in Latin America to estimate the illicit financial flows associated to drug trafficking highlighting the methods used for each country according to its specific role in this illicit market showing the feasibility of measuring IFFs and describing the challenges for measuring IFFs on regular basis.

### **Keywords:**

SDG; illicit markets; drug trafficking

### **1. Introduction:**

<Introduction>

### **2. Methodology:**

< Methodology>

### **3. Result:**

<Result>

**4. Discussion and Conclusion:**

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