

Project components

Workshop on the measurement of tax and commercial IFFs

Windhoek, Namibia

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Conceptual Framework & Methodological Guidelines

As co-custodians of SDG 16.4.1, the **UNCTAD** and **UNODC** are mandated to develop **methodologies**, and **collect and report statistics on IFFs**

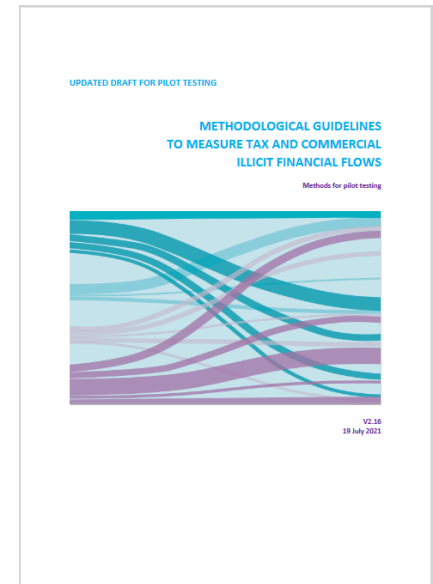
*UNCTAD-UNODC
Conceptual Framework for
the Statistical Measurement
of Illicit Financial Flows
(2020)*

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

Endorsed by **UN Statistical
Commission** in March
2022



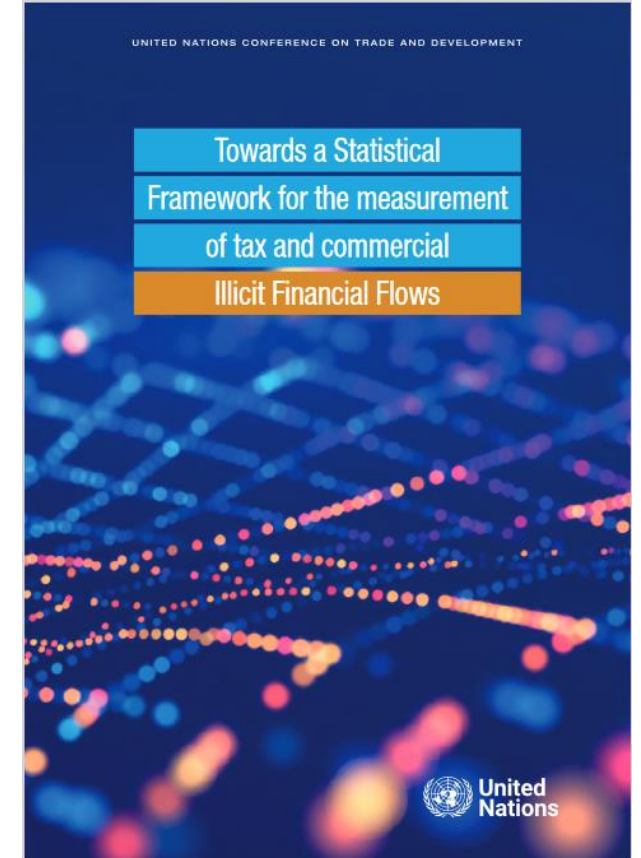
*UNCTAD Draft
Methodological Guidelines to
Measure Tax and Commercial
IFFs (2021)*





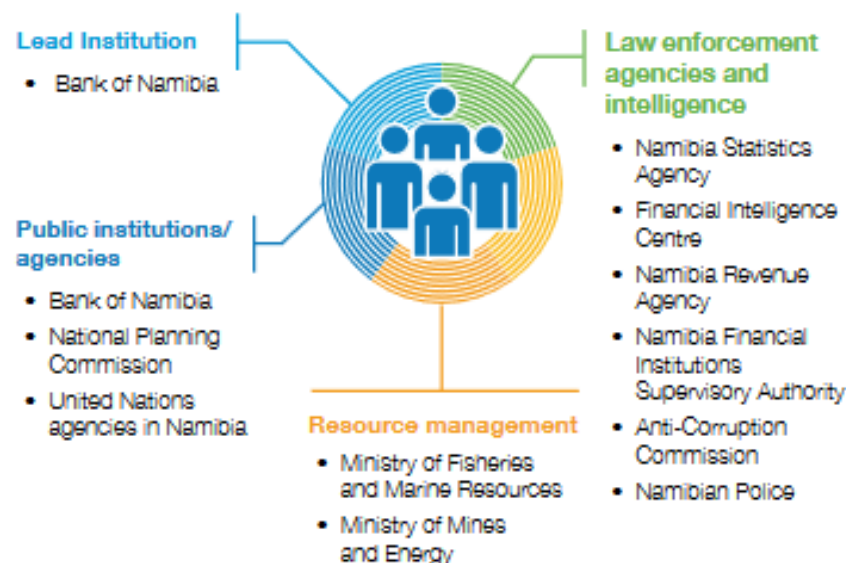
Statistical framework

- Towards a [Statistical Framework](#)
 - Concepts
 - Methods
 - Tools
- Statistical Framework:
ready for 2026 UN Statistical Commission



Namibia

2. Organisations of the Technical Working Group



3. Methods used

Method 1

Partner Country Method Plus

Method 2

Price Filter Method Plus

4. Magnitude of IFFs

Results using **Method 2** have been summarised as the following:

Statistical Method



Inward IFFs

**US\$4.5
billion**



Outward IFFs

**US\$34.1
billion**

Market Price Method



Inward IFFs

**US\$19.6
billion**



Outward IFFs

**US\$4.7
billion**

The way forward...

- Train participating countries on the other four methodologies from UNECA and UNCTAD
- Set up a secretariat with sole responsibility for IFFs
- Improve data capture at customs, ensure data verifications and strengthen correct declarations
- Implement mechanisms for the independent verification of the number of commodities exported and imported from and into Namibia

Project activities

Objective: To strengthen the statistical capacities of selected developing countries in Africa to measure tax and commercial IFFs and develop evidence-based policy responses to curb them.

Outcomes

OC1: Strengthened statistical capacity to measure and disseminate selected types of tax and commercial IFF statistics (*strengthen capacities and disseminate results*);

OC2: Enhanced policy formulation and targeted action towards curbing tax and commercial IFFs: (*inform policies*);

Outputs

- **OP1.1: One regional workshop (online)**, kick-starting activities with pioneering countries and sharing the project implementation plan.
- **OP1.2: One national training workshop (in-person)** in each country
- **OP1.3: National measurement work** in pioneering countries to apply the selected methods, compile estimates of IFFs and provide analysis of the findings;
- **OP1.4: One regional workshop (in-person)** where pioneering countries sharing experience, lessons learned and challenges of the measurement of tax and commercial IFFs.
- **OP2.1: One national policy workshop (in-person)** in each country
- **OP2.2: National action plan/policy formulation work** with advisory services on data and research strategies tailored to national needs assessment
- **OP2.3: One regional workshop (in-person)** closing activities



Project timeline

Outcome	Output #	YEAR 1				YEAR 2			
		2024				2025			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OC1	OP1.1								
	OP1.2								
	OP1.3								
	OP1.4								
OC 2	OP2.1								
	OP2.2								
	OP2.3								



SDG 16.4.1 reporting

Global SDGs indicators database

Objective

2 aggregated estimates:

total inward IFFs and total outward IFFs

+ Indicator 16.4.1, Series : Total value of inward illicit financial flows **DI_ILL_IN**

+ Indicator 16.4.1, Series : Total value of outward illicit financial flows **DI_ILL_OUT**

Disaggregation

IFFs type

TXC: Tax and commercial
ILL: Illegal market
COR: Corruption
ETF: Exploitation type and terrorism financing

IFFs sub-type

TXC_TMI :Trade misinvoicing
TXC_TAV: Tax evasion

....
ILL_DRG: Illicit drug
ILL_SOM: Smuggling of migrants
....
ETF_TIP: Trafficking in persons

Economic sector

ISIC4_A: Agriculture, forestry and fishing
ISIC4_B: Mining and quarrying
ISIC4_C: Manufacturing
ISIC4_D: Electricity, gas, steam and air conditioning supply
ISIC4_E: Water supply; sewerage, waste management and remediation activities
.....

Other possible disaggregation:

Geographic

Region
Subregion
Country

Thank you!