Annex A.
Research methodology

Methodology

The following methodology applies to the scoping or baseline study, the more detailed case studies (to be published as Working Papers) and this final synthesis report.

**Desk research:** the main body of this report is derived from a comprehensive review of the secondary literature from a wide range of sources, including national reports, studies and strategies, international and civil-society reports, the academic literature and the news media. More than 1 000 individual documents and sources in three languages (English, French and Portuguese) were consulted. In addition, approximately 200 primary data sets were reviewed, mined and analysed for trends relating to the continent as a whole and to the subregion specifically. More than 200 individual sources are quoted directly in the report.

This methodological approach, and consequently the study’s findings, is heavily influenced by the literature available on the subject. The quality of the available secondary literature varies according to the geographic and subject-matter focus. As such, the study is as much a review of the discussion surrounding criminal economies and illicit financial flows (IFFs) in West Africa as it is an assessment of the scale and impact of illicit activity. A further challenge is the absence or weakness of data available in the region. Nevertheless, the report can claim that data and statistics are taken from internationally recognised actors and sources, and that it is an accurate portrayal of the secondary literature and analysis available on the subject.

One lead author, Tuesday Reitano, co-ordinated the preparation and drafting of the report, and co-edited the case studies with the OECD. A team of five experts from the Global Initiative against Transnational Organized Crime also contributed: Karl Lallerstedt, Rob McCusker, Mark Shaw, Marcena Hunter and Theodore Coutts of the World Bank, as well as a number of research assistants: Iris Oustinoff, Adam Rodrigues, Mohammed Sesay and Jessica Gerken. The authors and contributors also called upon the expertise and experience of the more than 250 members of the Global Initiative Network of Experts, as well as on subject-matter experts in different OECD directorates. Combining this expertise with the authors’ own knowledge, the study brings to bear a diverse range of thematic and regional experiences, and the relevant technical skills. In particular, the study benefits from decades of research and partnership by the authors with national institutions and civil-society organisations in West Africa itself, as well as their fieldwork in various countries in the region over several years prior to this study. This allows for a comprehensive and current assessment of trends and phenomena.

**Key informant interviews:** 100 key informants were interviewed for this study, covering a wide range of interlocutors and global experts. These included policy makers, practitioners, law-enforcement officials and analysts in the OECD, the United Nations and other multilateral bodies, as well as independent non-governmental organisations and...
think tanks, both internationally and in the region itself. Interviews were also conducted with both national and international journalists who have investigated and reported on West Africa.

**Field research:** the report, and in particular the understanding of the implications of criminal economies and IFFs, benefitted from five in-depth case studies by experts in their respective fields. Each case study included a series of field visits to between one and three countries, as well as to OECD member countries. Interviews were conducted with national and international representatives of state institutions, the private sector, civil society and affected communities. They were also conducted with international policy makers, practitioners and independent experts from elsewhere in the world, including OECD member countries, as required to ensure comprehensive information and perspectives. Table A.1 summarises the interviews undertaken over the course of the study.

### Table A.1. Interviews conducted for the study

<table>
<thead>
<tr>
<th>Interview code</th>
<th>Interview description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NE-Gov-LE-220915</td>
<td>Chief of investigations, National Police, Niger, 22 September 2015</td>
</tr>
<tr>
<td>WA-IOM-130515</td>
<td>Immigration and border management specialist, IOM, in Dakar, 13 May 2015</td>
</tr>
<tr>
<td>SEN-GIABA-130515</td>
<td>Multiple senior research and policy officers, GIABA, 13 May 2015</td>
</tr>
<tr>
<td>UK-Gov-LE-220615</td>
<td>Multiple national crime agency officers, United Kingdom, 22 June 2015</td>
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<tr>
<td>CAD-Analyst-220615</td>
<td>Professor of law and population, international university, 22 June 2015</td>
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<tr>
<td>VIE-UNODC-030515</td>
<td>Africa crime expert, international organisation, 3 June 2015</td>
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<tr>
<td>NIG-Corp-Auto-120615</td>
<td>Automotive industry engineer, multinational corporation (international), 14 June 2015</td>
</tr>
<tr>
<td>GHA-Corp-Agr-1000615</td>
<td>Corporate affairs manager, company providing product integrity solutions (Ghana), 10 June 2015</td>
</tr>
<tr>
<td>GHA-Gov-090615</td>
<td>Chief executive, government authority in Ghana, 9 June 2015</td>
</tr>
<tr>
<td>GHA-Gov-LE-110615</td>
<td>Chief executive, government law-enforcement entity (Ghana), 11 June 2015</td>
</tr>
<tr>
<td>GHA-Gov-110615</td>
<td>Chief executive and Head of research, government agency (Ghana), 11 June 2015</td>
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<tr>
<td>GHA-Corp-Pharma-120615</td>
<td>Deputy director, government agency (Ghana), 12 June 2015</td>
</tr>
<tr>
<td>GHA-IIO-Econ-180615</td>
<td>Economist, international organisation (Ghana), 18 June 2015</td>
</tr>
<tr>
<td>GHA-Corp-Finance-200915</td>
<td>Secretary-General, business association in Ghana, 20 September 2015</td>
</tr>
<tr>
<td>GHA-Corp-Agr-120615</td>
<td>Programme manager, business association in Ghana, 12 June 2015</td>
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<tr>
<td>GHA-Gov-Drug-090615</td>
<td>Government official (drugs), government authority in Ghana, 9 June 2015</td>
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<td>USA-Gov-Hum-190515</td>
<td>International Aid Expert, government aid agency (international aid agency), 19 May 2015</td>
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<tr>
<td>GHA-Journ-120615</td>
<td>Investigative journalist, media organisation (Ghana), 12 June 2015</td>
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<tr>
<td>GHA-Gov-LE-120615</td>
<td>Law enforcement officer, law enforcement agency (Ghana), 12 June 2015</td>
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<tr>
<td>GHA-Gov-Pharm-100615</td>
<td>Director, government ministry (Ghana), 10 June 2015</td>
</tr>
<tr>
<td>GHA-Gov-LE-100615</td>
<td>Head of special government entity (Ghana), 10 June 2015</td>
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<td>GHA-INGO-Pharm-120615</td>
<td>Pharmaceutical expert, international NGO (Ghana), 12 June 2015</td>
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<td>NGA-Analyst-250615</td>
<td>Senior analyst, consulting firm (Nigeria), 25 June 2015</td>
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<td>GHA-Gov-Justice-100615</td>
<td>Senior Justice Representative, government of Ghana, 10 June 2015</td>
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<tr>
<td>GHA-Corp-Agr-090515</td>
<td>Technical advisor, industry association (Ghana office), 9 June 2015</td>
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<tr>
<td>NGA-Corp-Trade-030715</td>
<td>West Africa anti-illicit trade manager, multinational corporation (Nigeria), 3 July 2015</td>
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<tr>
<td>UK-Gov-Policy-220615</td>
<td>Senior strategy and co-ordination officer, UK Home Office, 22 June 2015</td>
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<td>SEN-EU-Gov-Justice-120515</td>
<td>Senior liaison of a European embassy to Justice Ministry Senegal, 12 May 2015</td>
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<td>UK-Gov-Analyst-230615</td>
<td>Africa research analysts, UK-FCO, 23 June 2015</td>
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<td>WA-EUSec-130515</td>
<td>Multiple research and policy officers, West Africa office security-focused pan-African NGO, 13 May 2015</td>
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<td>WA-EUSec-120515</td>
<td>Multiple European security liaisons in West Africa, 12 May 2015</td>
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<tr>
<td>WA-UNODC-020615</td>
<td>UNODC senior research officer in West Africa, by Skype, 2 June 2015</td>
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<tr>
<td>WA-UNODC-290615</td>
<td>UNODC research officer in West Africa, by phone, 29 May 2015</td>
</tr>
<tr>
<td>WA-EU-080515</td>
<td>EU/UN project leader on AML in West Africa, by Skype, 8 May 2015</td>
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Table A.1. Interviews conducted for the study (continued)

<table>
<thead>
<tr>
<th>Interview code</th>
<th>Interview description</th>
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<tbody>
<tr>
<td>GHA-Analyst-190615</td>
<td>Senior official, West Africa-based security-focused NGO policy and training centre, by</td>
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<td></td>
<td>Skype, 19 June 2015</td>
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<tr>
<td>VIE-UNODC-290515</td>
<td>Senior UNODC official, by Skype, 29 May 2015</td>
</tr>
<tr>
<td>UK-Gov-LE-220515</td>
<td>Senior liaison officer, UK-NCA, by phone, 22 May 2015</td>
</tr>
<tr>
<td>USA-Gov-LE-120515</td>
<td>USA DEA Official in a West African country, 12 May 2015</td>
</tr>
<tr>
<td>NIG-DrugTrafficker-100915</td>
<td>Nigerian drug trafficker in Johannesburg, 10 September 2015</td>
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<tr>
<td>POR-Gov-Diplo-280515</td>
<td>Multiple security and co-operation Affairs representatives from a European Embassy in</td>
</tr>
<tr>
<td></td>
<td>West Africa, written response to questions, 28 May 2015</td>
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<tr>
<td>POR-Gov-Diplo-290515</td>
<td>Multiple security and co-operation affairs representatives from a European embassy in</td>
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<td></td>
<td>West Africa, by Skype, 29 May 2015</td>
</tr>
<tr>
<td>GHA-Analyst-160615</td>
<td>Academic researcher, by phone, 16 June 2015</td>
</tr>
<tr>
<td>GHA-Analyst-230615</td>
<td>Academic researcher, by phone, 23 June 2015</td>
</tr>
<tr>
<td>GHA-CivSoc-160515</td>
<td>Civil society actor, by phone, 16 June 2015</td>
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<td>LBR-CivSoc-210515</td>
<td>Civil society actor, Liberia, 21 May 2015</td>
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<td>LBR-CivSoc-230515</td>
<td>Civil society actor, Liberia, 23 May 2015</td>
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<tr>
<td>GHA-Analyst-041115</td>
<td>Analyst, Ghana, by email, 4 November 2015</td>
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<td>GHA-Finan-130515</td>
<td>Financial Intelligence Officer, Ghana, 13 May 2015</td>
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<tr>
<td>LBR-GERGov-180515</td>
<td>Foreign official, Liberia, 18 May 2015</td>
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<td>LBR-USGov-200515</td>
<td>Foreign official, Liberia, 20 May 2015</td>
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<td>NOR-Analyst-300415</td>
<td>Independent expert, 30 April 2015</td>
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<tr>
<td>LBR-IO-020615</td>
<td>International organisation representative, by phone, 2 June 2015</td>
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<tr>
<td>LBR-Corp-Min-190515</td>
<td>Mining industry representative, Liberia, 19 May 2015</td>
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<tr>
<td>GHA-Gov-Min-130515</td>
<td>Senior mining advisor, Ghana, 13 May 2015</td>
</tr>
<tr>
<td>GHA-Gov-130515</td>
<td>State official, Ghana, 13 May 2015</td>
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<tr>
<td>LBR-Gov-210515</td>
<td>State official, Liberia, 21 May 2015</td>
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<tr>
<td>UK-Gov-Sec-230615</td>
<td>Financial flows analyst, JNAC, Ministry of Defense, 23 June 2015</td>
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<td>RDV-SCLCT-22092015</td>
<td>Police captain, Chief of investigations, SCLCT, 22 September 2015</td>
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<tr>
<td>NIG-Gov-LE-201015</td>
<td>Multiple Nigerian officers of the Financial Intelligence Unit and National Risk Assessment</td>
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<td></td>
<td>Secretariat, Nigeria, 20 October 2015</td>
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<tr>
<td>NIG-Gov-Sec-121015</td>
<td>Joint Terrorism Analysis Branch: Office of the National Security Advisor, Nigeria,</td>
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<td>19 October 2015</td>
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Note: Unless otherwise noted, the interviews were in person.

Quantitative research

Of the five case studies in this report, three – on human smuggling, counterfeit and terrorist financing – include original quantitative survey research (Table A.2). The interviews were conducted using an innovative person-to-person mobile phone-based research platform, Vibrand Reach. This platform offers an extensive survey capacity working with local partners in local communities across Africa. It allowed a rapid survey of attitudes, perceptions and experiences within the time and budget limitations of the study.
The case study on human smuggling also included the findings of semi-structured interviews with migrants in migrant reception and processing centres, as well as at other locations in Italy.

<table>
<thead>
<tr>
<th>Countries conducted</th>
<th>Key questions</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Case study: Human smuggling</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Migrant source surveys Nigeria, Ghana | – Do you know anyone who has migrated?  
– Where did they go?  
– Have they returned? Why?  
– How did they organise their trip? How much did they pay?  
– Would you migrate and why?  
– Where would you want to go?  
– How much would you be prepared to pay? | N = 429  
Ghana = 229  
Nigeria = 200 (All male) |
| Migrant destination surveys Italy | The interviews were semi-structured around 6 key themes:  
– Motivation and decision to migrate  
– Experience of the migration journey  
– Experience with and payments to facilitators  
– Risks, difficulties and abuses experienced  
– Experiences with corruption or corrupt practices | N = 45 |
| **Case study: Counterfeits** |                                                                                                                                                                                                          |                        |
| Consumer survey Ghana | – Which types of counterfeit products have you experienced?  
– Has anyone tried to sell you fake goods?  
– Have you, or someone you know, purchased counterfeit goods?  
– How do you know whether what you are buying is real or fake?  
– Where do you think counterfeit goods come from?  
– How acceptable do you consider it to buy counterfeit products? | N = 314  
Male = 177  
Female = 136 |
| Business survey Ghana | Questions were semi-structured, conducted by telephone, with businesses selling the categories of goods in the study (agrochemicals, consumer goods, pharmaceuticals). Key themes explored:  
– What proportion of goods in your industry sold are fake?  
– What types of consumers buy fake products?  
– Where are fake products sold?  
– Have you been approached to sell fake products?  
– How would you know if the goods you sell are fake?  
– Have you ever been subject to government regulation?  
– How is the government dealing with the problem of fake goods? | N = 221  
Agrochemicals = 70  
Consumer goods = 70  
Pharmaceuticals = 71 |
Source-country interviews on migration perceptions: a quantitative survey was commissioned in three West Africa countries: Gambia, Nigeria and Ghana. The surveys attempted to gauge attitudes towards migration in the source countries of the Economic Community of West African States (ECOWAS), as well as identify any change in attitudes or behaviour of migrant recruiters during the recent surge in migration. Gambia and Nigeria were selected because they account for the highest levels of arrivals in Europe of ECOWAS countries. Ghana was selected as a control in its capacity as another Anglophone country with a comparable socio-economic profile. Given the challenges in gaining permission from the local authorities, the Gambia survey could not be completed within the time available for this study. The survey had 429 respondents – 200 from Nigeria and 229 from Ghana – with two phases of surveying to allow verification of the methodology and results.

Destination-country migrant interviews: to ensure the case study reflected the most current situation and experiences, interviews with recently landed migrants were conducted at reception centres in southern Italy. Interviews were also held at migrant-processing centres in various cities across the country.

Of the interviews respondents, 45 were from ECOWAS, all were male, and 80% were between the ages of 18 and 25. Finding respondents who were female or older proved challenging. The countries represented in the study were Gambia (ten respondents); Nigeria (nine respondents); Mali (eight respondents); Côte d’Ivoire (seven respondents); Senegal (six respondents); and Ghana (three respondents); two individuals from other ECOWAS countries also responded. This is obviously a small sample, compared to the tens of thousands who have crossed to Europe in the recent migration crisis. However, it at least allowed a glimpse of the experiences faced by migrants.

The interviews were voluntary, taking the form of a semi-structured conversation. The five interviewers were provided with an indicative interview protocol, including over 50 questions divided among a range of themes. These included the motivations and original reason for migrating, the types and sources of information received before departure, the preferred destination, the route taken, the amount paid and the experiences along the way. The interviewers particularly probed for accounts of how the migrants were treated, and any experiences or concerns about abuse or extortion. Relevant demographic and socio-economic information was also collected.

Each semi-structured interview lasted approximately one hour. Participants were not expected to answer every question and were not pressed to discuss issues that made them feel uncomfortable. The responses were first reviewed in long form and then coded for statistical analysis.

Respondents were reluctant to discuss certain questions, particularly concerning the boat crossing. Despite their assurances, the interviewers had the impression respondents’ reluctance may have been due to concerns on the purpose of the interview. All of the migrants interviewed were still waiting for their asylum claims to be processed and thus may have had fears of being returned.

Boko Haram financing: the case study on terrorist financing focused predominantly on the Sahel-based terrorist groups. It also benefited, however, from a parallel study on Boko Haram financing, which included a quantitative research component. Perception-based polls gauged public sentiment in northeast Nigeria on terrorism-related topics. Boko Haram is located in the region, and the general population is closely tied to the conflict, both as the target of attacks and as a main source of revenue for the group.
These surveys, along with all the other surveys conducted for this report, were conducted by Vibrand Research. They addressed not only the topic of Boko Haram, but also regional perceptions on safety, security, community activities, terrorist behaviours, the interactions between terrorists and local communities, and the efficacy of national and international counter-terrorism measures.

In total, two polls were administered: a 200-person exploratory poll split between two key cities and a subsequent 900-person poll split between three key cities. The exploratory poll was intended to survey 100 people in Maiduguri and 100 people in Mubi. However, due to a spike in terrorist attacks, as well as safety concerns for interviewers and interviewees, the polling was expanded to surrounding areas.

Based on the findings of the exploratory study, a larger polling campaign was initiated in Kano, Bauchi and Gombe, with a sample size of at least 300 individuals in each location and a 50-50 gender split. All locations were selected based on the level of Boko Haram presence and activity. The results were retrieved from Vibrand Research in September 2015.

The perception polls were carefully drafted to avoid biases and leading or loaded questions. The sample sizes were selected to retrieve statistically significant results. Since the results extracted from these polls are perception-based, they were integrated in a supplemental and corroborative capacity, as well as to set the context for discussions on Boko Haram.

Calculating the scale of internal and external illicit flows

This study has deliberately shied away from quantifying the scale and value of specific flows; For the reasons outlined earlier, it has emphasised understanding – rather than measuring – the impact of criminal economies and IFFs. However, for purposes of comparative analysis, Figure A.1 presents the best possible estimate of the total IFFs related to a series of criminal economies highlighted in the report, distinguishing between IFFs invested within and outside the region. Analyses of IFFs rarely make this distinction.

Any presentation of the value of illicit flows tends to be the subject of heated debate, largely because the flows are difficult to estimate and many measurement methodologies exist. Those presented in Figure A.1 are measured estimates, drawn from data provided by UN agencies, the World Bank and INTERPOL, or by recognised experts. This section aims to explain how the authors derived the numbers presented here, always using conservative estimates.

**ASGM:** it is difficult to assess the value of IFFs associated with ASGM and gold smuggling. One method compares production estimates with import and export figures. For example, in 2011, the United Arab Emirates imported 27.6 tonnes of gold from Ghana; however, Ghana reports exporting only 19.4 tonnes of gold to the United Arab Emirates in the same year (UN Comtrade, 2015). If all gold imported to the United Arab Emirates that reportedly came from Ghana did in fact originate there, this would mean that 30% was smuggled out of Ghana and only entered the formal supply chain upon import to the United Arab Emirates. Extrapolating from this figure, one could assume that 30% of gold is smuggled out of the country, valued at USD 720 million (US dollars) in 2013. Comparing production estimates in Liberia to the amount of gold officially exported shows that 86-90% of gold is smuggled out of the country (United Nations Security Council, 2013). In addition, an estimated 7 tonnes of gold was smuggled out of Burkina Faso in 2014 (Guéniat and White, 2015), valued at USD 256 million. When similar calculations are conducted using import and export figures for other gold-producing nations in West Africa, it is estimated that IFFs amount to over USD 3 billion. Due to the labour-intensive
nature of the ASGM sector, a large portion (85%) of IFFs is believed to remain in the region, although individuals engaging in digging and mining are compensated very little per capita. It should be noted, however, that differences in export and import volumes do not necessarily reflect illicit financial flows. There may be other explanations for that. The calculation presented here aims to enable a discussion on the amounts of IFFs that remain in and leave the region.

Figure A.1. **Illustrative estimate of possible IFFs generated by criminal activity; proportion remaining in the region and leaving the region**

Notes: This estimate is produced for illustrative purposes and for the benefit of enabling a discussion on IFFs remaining in and leaving West Africa. Given the difficulties in ascertaining robust figures on this topic, the numbers in this graph should not be taken as definitive.

ASGM: artisanal and small-scale gold mining; IUU fishing: Illegal, unregulated and unreported fishing; SOM: smuggling of migrants; TIP: trafficking in persons; KFR: kidnap for ransom.

Source: Various, as explained below.

**Oil theft:** Chatham House published the most comprehensive account of oil theft in the Niger Delta in 2013 (Katsouris and Sayne, 2013). In this report, Nigeria was losing 100,000-250,000 barrels per day of its most valuable commodity, valued at approximately USD 3-8 billion per year, to fuel theft. A considerable portion of the oil moves across the border (see Chapter 3) for consumption in neighbouring countries, but this is considered an internal flow.

The report outlines the structure of fees and protection payments enabling the illicit trade, and notes that most beneficiaries are from the Nigerian elite. While the payments are used to maintain patronage networks, it is assumed a portion is also moved to overseas territories. Nigeria is considered to be the largest source of IFFs in Africa, with oil driving that total.

A 2003 investigation claimed that Nigeria could be losing as much as USD 600 million per year – approximately 40% of domestic production at that time – from the diversion of the stolen crude by international oil companies (Gboyega et al., 2011). The same 40%
proportion was therefore used to estimate the extent of diverted funds leaving the region, with the balance of the USD 3 billion estimated to remain in the region.

**Cocaine**: Chapter 3 examines the estimated total value of the cocaine flow through West Africa, and the percentage of that flow accrued in the region, based on a composite of the available best estimates from the sources consulted in the research.

An estimated 40 tonnes of cocaine per year moves through West Africa (UNODC, 2013). While it is valued at USD 2.1 billion per year, West African actors only earn an estimated USD 40 million per year for local “protection” or facilitation. Approximately three-quarters of that amount remains in the region to support local patronage networks or make local purchases, with the remainder invested externally. The 35-40 tonne estimate comes from the knowledge of Colombian traffickers active in the region, operating in smaller groups known as *cartelitos* (small cartels), who consider moving anything below 5 tonnes as unprofitable. Based on interviews by the United Nations Office on Drugs and Crime (UNODC) with inmates of West African prisons, about seven *cartelitos* operate in the region. The rough estimate of yearly tonnage comes from these conversations. Transactions for the purchase of large consignments are almost certainly made outside West Africa, with little if any of these funds flowing into the region.

**IUU fishing**: as outlined in Chapter 3, the fishing sector is a significant economic driver in the West African region, but a number of experts have estimated that the scale of illicit fishing as extensive. The Environmental Justice Foundation (EJF) has set global losses as a result of IUU fishing at USD 10-23.5 billion per year (accounting for between 11-26 million tonnes of fish) (EJF, 2012). In 2014, the Africa Progress Panel noted that “West Africa has some of the world’s higher reported rates of IUU fishery activity, with one-third to one-half of the catch affected” and that West Africa could be suffering losses of up to USD 1.3 billion per year through IUU fishing (Africa Progress Panel, 2014). This report uses this figure, which is considered the most conservative and recent.

As studies of IUU fishing operations have shown, this illicit trade is perpetrated exclusively by international fishing vessels overfishing in the Gulf of Guinea and in the coastal waters of West African states; the produce is taken to markets in Europe and Asia. It is therefore assumed that – at best – negligible amounts of the value of this IFF remain in the region, perhaps earned through the illegal sale of fishing permits and corruption payments.

**Illicit tobacco**: in 2009, UNODC estimated that illicit cigarettes generate USD 774 million in annual revenue in the region (UNODC, 2009). The same study estimated, however, that 78% of this trade was transiting to Maghreb countries, where the illicit tobacco is consumed. While patterns have shifted following the post-revolutionary instability in Libya, this remains the best reliable and quantified available estimate of the trade.

**Cannabis**: the figures on illicit trade in cannabis are based on estimates in Ralston (2014), which multiplied the regional production (3 500 tonnes) by the average regional retail price (USD 0.17 per gramme). The retail price is the West African retail price, as the region virtually exports none of its cannabis abroad and grows it mainly for local consumption; thus, the region retains most of the value of the flow.

**Counterfeit drugs**: in 2013, the UNODC calculated conservatively that West Africa imported about USD 150 million worth of counterfeit medicine ever year (UNODC, 2013; Mackey and Liang, 2013). Other sources have produced far higher values – as high as USD 400 million per year for anti-malarial medication alone (Mackey and Liang,
2013). For this report, we opted for the higher range of the estimate, based on the findings of the counterfeit case study (Chapter 3) which suggested the value of fake medicines imported into Ghana alone could amount to USD 330 million, thereby making our high-end range still a conservative figure.

Most of the value of this flow accrues to the countries producing the counterfeit goods; a small portion – estimated by the authors at less than 10% of the total – goes to regulators and border control through corruption, and to local vendors through sales.

**Smuggling of migrants**: the case study estimated that in 2015 3,000 migrants were departing from Agadez on a weekly basis (i.e. 156,000 per year) on convoys headed towards Libya, the primary gateway to Europe. The average cost of that portion of the voyage was USD 350. Based on migrant interviews and expert estimates, migrants are unlikely to have spent more than USD 100 on transportation and smugglers for their travel within the ECOWAS zone, prior to arriving in Agadez; the total cost of an individual migration journey within the ECOWAS zone was USD 450; the total value of migrant travel within ECOWAS, therefore, amounted to USD 148.2 million. However, in 2015, approximately 60,000 migrants of West African nationalities were registered in Europe (Frontex, 2014) including about one-half of migrants of “unspecified sub-Saharan” nationalities. The average cost of a sea passage at that time was USD 1,300. This meant that to reach Europe, West African nationals paid a further USD 78 million in total to actors outside the region to complete their migration journey, which would represent an additional IFF.

**Piracy**: estimates of the annual cost of piracy to West African countries range from USD 565 million to USD 2 billion, although the higher amount is driven by estimates of oil theft, either sourced from or transmitting through the Gulf of Guinea (Osinowo, 2015). To avoid double counting, the lowest estimate in the range was chosen for this report. The estimate of flows occurring internally were derived as 85% of the total; once oil theft is controlled for, the analysis suggests that robberies of cargo ships were perpetuated mainly by armed groups from the region (UNODC, 2013).

**Human trafficking**: the figures are based on the calculations in Ralston (2014), which in turn are taken from a 2009 study by UNODC. The total monetary value was estimated by multiplying the midpoint of UNODC estimates for the annual flow of humans trafficked for sexual exploitation out of West Africa (4,750) by the midpoint UNODC estimate of the price for one individual (USD 47,500). The estimates for the flow were originally obtained by assuming that an average of 1 out of 30 trafficked humans in Europe was detected.

The authors then drew their estimations based on the fact that most human-trafficking networks are Nigeria-based and perpetuated through diaspora connections, and that most of the flows (80% as a rough guide) would accrue within the region (Ellis, 2016).

This would not account for the enormous number of people in situations of human trafficking, or bonded, forced and child labour within the region (see Chapter 3). According to the definitions in this study, however, the flow would not be perceived as an IFF, but as an informal economy.

**Firearms**: the figures are based on Ralston (2014), which extrapolated the legal imports of ammunitions and firearms in West Africa, assuming that rebel and criminal groups at least match government purchases. As the flow of arms in the region is estimated to be almost entirely circular, with limited new stock (Anders, 2014), the value of these arms transactions remains almost entirely within the region.
Caveats

Criminal practices, both globally and in West Africa, are evolving quickly, and every effort was made to profile the current situation accurately. While the older literature was not discounted, the literature review prioritised current publications. All told, 75% of the literature cited was published in the last three years. In some cases, the phenomena – e.g. the smuggling of migrants to Europe, or the actions and financing of terrorist groups – are changing so rapidly that even recent reports now give a dated picture. In these cases, the news media, journalists and frontline practitioners became a dominant source; this may have limitations from an analytical point of view, and point-in-time analysis can skew longitudinal perspectives.

A number of challenges emerged when attempting to measure and analyse illicit activity in general, and IFFs in particular. Further, no metric is ever perfect. The measures presented in the past have been extensively debated, contested and criticised, particularly around several issues: over-reliance on trade mispricing as a proxy for all IFFs, and failures to account sufficiently for tax evasion (e.g. through jurisdiction hopping or tax havens) or illicit economic activity. Global studies have estimated that criminal activity represents about 35% of total IFFs (Boyce and Ndikumana, 2012). Other studies argue the share could be far greater in developing countries, where the informal economy is quite large. One study estimated the share of a national economy beyond state control could be as high as 90% for fragile states in sub-Saharan Africa (Grief, 1996). A later UNODC study confirmed this amount; it noted that the percentage of crime proceeds increased in developing countries, and that the funds generated were more likely to be laundered overseas (UNODC, 2011).

Measuring the quantity and value of the criminal economy also presented numerous challenges. Estimates are largely based on seizure data. While this can often be a useful indicator of changing trends, it has limitations; in the context of West Africa, these drawbacks are particularly prevalent. In the best-case scenario, seizures represent a maximum of 33% of the total flow in any context; arguably, they are often a better measure of law-enforcement capacity and integrity than of the scale of actual flows (UNODC, 2014). In the context of weak states and widespread corruption, the capacity of seizures to add value are significantly restricted; a reduction in the quantity of seizures may instead indicate greater state complicity and protection of those flows, rather than reduced IFFs (Midgley et al., 2014).

Reference groups and peer-review process

An expert Reference Group supported the report development and drafting process. It consisted of 22 representatives of OECD member states and multilateral institutions, recognised in the acknowledgement section. The Reference Group reviewed the inception report for the study in March 2015 to provide feedback on direction and priorities for the authors. Subject experts presented 13 forms of criminal economies reviewed in the inception report (and presented in this final report): 5 case studies were selected that were representative of the 3 typologies around which the report was structured, based upon a tiered voting system.

The peer-review process was structured around two stages. First, the OECD Development Co-operation Directorate reviewed draft case studies; between six and eight subject experts then reviewed the studies between June-August 2015. The studies were then finalised, incorporating the comments received. Second, the final full report was
subjected to another peer-review process in early December 2015. Seventeen peer reviewers were involved, including members of the Reference Group, experts from dedicated divisions of the OECD, members of relevant civil-society organisations and recognised independent experts in the field of study. The peer reviewers who did not request anonymity are mentioned in the acknowledgement section.

Notes

1. www.globalinitiative.net.
2. www.vibrand.co.za.

References


