

EXECUTIVE SUMMARY
**MAPPING THE IMPACT OF ILLICIT TRADE
ON THE SUSTAINABLE DEVELOPMENT GOALS**

Illicit trade and the UN Sustainable Development Goals (SDGs)

From smuggling, counterfeiting and tax evasion, to the illegal sale or possession of goods, services, humans and wildlife, illicit trade is compromising the attainment of the UN SDGs in significant ways, crowding out legitimate economic activity, depriving governments of revenues for investment in vital public services, dislocating millions of legitimate jobs and causing irreversible damage to ecosystems and human lives.

Business is a partner for achieving the SDGs

As illicit trade weakens the viability and sustainability of industries, it simultaneously dilutes private sector contributions to achieving the SDGs. For example, illicit trade is a form of unfair competition that undermines private sector contributions to economic growth and employment. It chokes off market growth, sabotages global supply chains, squanders natural resources and endangers market security. Fake products and inferior materials in supply chains harm consumers and tarnish consumer perception of a corporation's social responsibility (CSR) performance. In some cases, it poses significant threats to the safety and security of personnel and facilities, all adding to the increasing costs of doing business. Where proliferating illicit trade creates socio-economic instability, it dampens private sector investment, holds back research and development (R&D) and discourages technology transfer.

For these reasons, the private sector has a vital interest in defending against illicit trade, helping itself across industry sectors and playing an active role in promoting the SDGs.

The Transnational Alliance to Combat Illicit Trade (TRACIT) provides a platform for business and governments to collaborate holistically to mitigate the incumbrance of illicit trade on the SDGs. Mapping the impacts of illicit trade on the UN Sustainable Development Goals is part of TRACIT's contribution to the partnership approach embodied in SDG 17 and a means by which business, the public sector and civil society—working in partnership—can more effectively achieve the SDGs.

Mapping the impacts of illicit trade against the UN SDGs

In order to help governments and business better understand how their efforts to achieve sustainable development must account for the negative forces of illicit trade, TRACIT has mapped the 17 UN SDGs against the following sectors: agri-foods, alcohol, fisheries, forestry, petroleum, pharmaceuticals, precious metals and gemstones, pesticides, tobacco, wildlife and all forms of counterfeiting and piracy. These sectors were chosen because they participate significantly in international trade and are particularly vulnerable to illicit trade. Trafficking in persons is also examined as a particularly abhorrent phenomenon affecting supply chains and basic human rights as well as contributing to illicit trade practices.

Key findings from the report

The socio-economic impacts of illicit present significant deterrence to all 17 of the SDGs – holding back progress, increasing costs and pushing achievement of the goals further away.

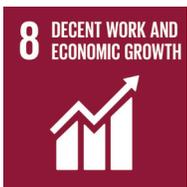
There are notable “macro” impacts where illicit trade cuts deeply across many of the SDGs, undermining achievement of the economic goals for poverty reduction, decent jobs and economic growth (SDGs 1, 2, 3, 4 & 8), and robbing governments of taxable income that can be invested in public services (SDGs 9 & 17). When it generates revenue for organized criminal and terrorist groups, illicit trade undermines goals for peace and stability (SDG 16). Most forms of illicit trade plunder natural resources (SDGs 6, 14 & 15), abuse supply chains and ultimately expose consumers to fake and potentially harmful products (SDG 12).

While findings show that illicit trade poses a threat to all 17 SDGs, nowhere is the nexus as evident than in SDG 16 (Peace, Justice and Strong Institutions) and SDG 8 (Decent Work and Economic Growth).



Illicit trade – in all its forms – stands in direct juxtaposition to SDG 16, by feeding violence and breeding corruption, undermining trust in institutions and the rule of law, and generating enormous illicit financial flows. Moreover, the links between illicit trade and organized crime are well established, from human trafficking networks and tobacco smuggling, to fuel theft by drug cartels and the involvement of the mafia and organized criminal groups in

the trade of counterfeit products. Perhaps most frightening are links to terrorist financing that heighten threats to national and global security.



All types of illicit trade threaten inclusive economic growth and significantly hinder achievement of SDG 8. Lost taxes rob governments of revenues intended for schools, infrastructure and other public services. Illegal and unfair competition reduces sales and dampens the ability of companies to create lasting and dignified job opportunities. Taken together, economic

leakages across the sectors susceptible to illicit trade create an annual drain on the economy of US\$2.2 trillion and present a triple threat to financing the necessary “billions to trillions” dollar gap needed to reach the SDGs.

AGRI-FOOD INDUSTRY



From food fraud to large scale smuggling of agriculture products, illicit trade in agri-foods undermines farming and global food trade systems, destabilizes rural economies and jeopardizes production and delivery of fair, safe and sustainable food supplies. Food fraud is the intentional substitution or dilution of an authentic food or ingredient with a cheaper product (such as replacing extra virgin olive oil with a cheaper oil), flavor or color enhancement using illicit or unapproved substances, or substitution of one species with another (such as the European horse meat scandal). Smuggling of agriculture products is driven by a disparity between the price of a good at its origin and its (prohibited) destination, which includes price differentials deriving from government subsidies.

Sugar, tea and cocoa smuggling, for example, destabilize food supplies and erode the sustainability of their underlying legal industries. Fake infant milk powder and dangerously recycled vegetable oils are examples of how adulterated food supplies contribute to malnutrition.



In addition to its impact on food security, illicit agri-food impacts SDG 12 (Responsible Consumption and Production). When certificates of origin are falsified, quality assurance programs hampered, claimed ingredients diluted with a cheaper product or entire species substituted, consumers are deprived of their right to make responsible, educated, eco-friendly decisions about food consumption.

In addition, illicit trade in the agri-foods sector:



Undermines robust and resilient agricultural markets that support economic development and poverty reduction.



Destabilizes food security and undermines sustainable food production and access to food.



Exposes consumers to harmful ingredients or deprives them of active beneficial ingredients.



Siphons GDP, jobs and tax revenues from national economies and introduces health risks that can jeopardize corporate brands and economic sustainability.



Illegal profits underwrite smugglers, breed corruption, subsidize wider criminal activity and threaten political and economic stability.

AGROCHEMICALS AND PESTICIDES



Agrochemicals and specifically pesticides are an integral part of conventional agriculture and help maximize crop quantity and quality by reducing the pests and diseases that damage crops and limit crop yield. Illegal agrochemicals include obsolete or unauthorized pesticides; untested, unregulated, or unlicensed pesticides; unauthorized imports; counterfeit and fake pesticides; relabeled or mislabeled pesticides; and refilled pesticides containers.

Food security and hunger top the list of global challenges and the UN Food and Agriculture Organization (FAO) estimates that 793 million people are undernourished and lack food security. Moreover, there is a looming challenge to feed the world's rapidly growing population, which will require 69 percent more food calories in 2050 than it did in 2006.



Increasing farmers' access to legitimate pesticides is one of the most fundamental ways to increase agricultural productivity and output. Therefore, ending hunger, achieving food security, improving nutrition, and promoting sustainable agriculture (SDG 2) will be heavily dependent on the productive application of pesticides.

Illegal pesticides in contrast are untested, contain an imbalance of chemicals or lack active ingredients, all of which can cause low yields, crop failure or result in high levels of pesticide residues on food products. Illegal pesticides also may render agricultural land infertile due to soil degradation and contamination of ground water.

In addition, illegal pesticides and agrochemicals:



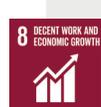
Precludes agricultural productivity that can reduce poverty, create jobs and drive higher incomes and productivity.



Presents significant risks to human health via direct exposure to unsafe chemicals, food toxicity, and safety hazards associated with transportation and handling.



Jeopardizes water quality and the protection of water-related ecosystems from contamination.



Drains farmer profitability through spending on ineffective pesticides, causing reductions in crop yields and knock-on effects on GDP, jobs and tax revenues.



Prevents environmentally sound, life-cycle management of chemicals and wastes.



Exacerbates prevention of harmful run-off and releases of toxic chemicals in water bodies.



Renders agricultural land infertile due to soil degradation, increase pest resistance and contaminated ground water.



Undermines governments' capacity to enforce policy, promote the rule of law, eradicate corruption and combat other forms of criminal activity.

ALCOHOL

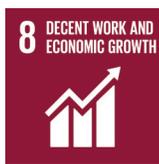


Illicit trade in the alcohol sector undermines SDG 3 (Good Health and Well-Being) and specifically SDG Target 3.9, which aims to substantially reduce the number of deaths and illnesses from hazardous chemicals and the mortality rate attributed to unintentional poisoning.



Illicit alcoholic beverages do not comply with sanitary, quality and safety regulations. The main health risks associated with them are linked to the absence of controls in production, which leads to end-products that contain unsafe levels of ethanol or substitute chemicals such as cleaning fluids or nail polish removers, as well as methanol and isopropanol, which are used in auto antifreeze.

The presence of cheap illicit alcohol on the market can also undermine government policies aimed at reducing the harmful consumption of alcohol. Readily available and lower-priced illegal alternatives drive consumption of lower quality alcohol products, contributing to higher rates of chronic and irregular heavy drinking.



Illicit trade in alcohol also undermines SDG 8 (Decent Work and Economic Growth), as it diverts income from legitimate businesses and undermines their ability to create jobs and pay taxes. For governments, lost corporate, income and excise tax rob them of income intended for public investment and job creation programs, with relatively more severe impacts on developing countries. According to a multi-regional study by Euromonitor International, the fiscal loss to governments across 24 countries in Africa, Eastern Europe and Latin America is as much US\$3.6 billion per year.

In addition, illicit trade in alcohol undermines the SDGs in the following ways:

-  Illicit alcohol disincentives legitimate alcohol companies investments in developing products and protecting their intellectual property through patents, copyrights, design rights and trademarks, consequently undermining industrialization and sustainable economic development.
-  Illicit trade in alcohol provides a significant and steady source of revenue that perpetuates the viability of organized crime groups, subsidizes further criminal activity, and drives corruption in public institutions and social unrest in local communities.
-  Widespread illicit trade in alcohol has a debilitating effect on efforts to improve domestic resource mobilization by denying the government a significant source of potential tax income.

COUNTERFEITING AND PIRACY



Illicit trade in the form of trademark counterfeiting and copyright piracy undermines SDG 9 (Industry, Innovation and Infrastructure), by eroding the world’s intellectual property rights (IPR) system that incentivizes innovation. In short, counterfeiting and copyright piracy rob companies of the financial reward for their creativity and investment in innovation. This in turn stifles economic growth and job creation and inhibits creative industries from realizing their full potential. Moreover, counterfeit and pirated goods are produced outside the normal channels of commerce with little regard to environment, health and safety regulations and standards — and as a result pose risks to long term economic growth, consumer health, livelihoods and the environment.



Accordingly, the role that IPR protection and enforcement has in facilitating innovation and thereby contributing to the achievement of the 2030 sustainable development agenda has received broad international recognition, including by the Group of 20 (G-20) Heads of State.

Pirating copyrighted works erodes investment in and production of cultural and educational materials, undermining SDG 4 (Quality Education). Copyright serves as a critical tool to finance the creation and commercialization of educational materials. As noted by WIPO Director General Francis Gurry, “Copyright is the means by which the market exchange of creative works occurs... as such, it is also the principal means for the financing of the production of creative works, enabling the creator to control the commercial exploitation of her works, thereby returning economic value to the creator and ensuring livelihood for the individual creator, and economic sustainability for the creative industries.”



In addition, counterfeiting and piracy:

<p>1 NO POVERTY</p>	<p>Stifles economic growth, prevents legal job growth and drains over US\$700 billion from the global economy.</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Drives production under unethical, unregulated and poor working conditions, utilizing child labor in its production and coerced migrants smuggled into a country selling counterfeit goods.</p>
<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Exposes consumers to harmful ingredients and faulty products that pose clear health and safety risks.</p>	<p>15 LIFE ON LAND</p>	<p>Generates environmental hazards to soil and land from unregulated manufacturing and improper waste disposal.</p>
<p>6 CLEAN WATER AND SANITATION</p>	<p>Irresponsible disposal of hazardous and toxic substances into air and water jeopardizes groundwater and watercourse.</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Illegal profits helps fund other criminal activities, fosters corruption, and undermines the rule of law.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Siphons GDP, jobs and tax revenues from national economies and introduces health risks that can jeopardize corporate brands and economic sustainability; creates opportunities for labor exploitation and unsafe working conditions.</p>		

FORESTRY PRODUCTS



Illegal logging and illicit timber trade include practices such as logging in protected areas, exceeding permitted harvest quotas, processing logs without the necessary licenses, operating under a license that has been obtained illegally and exporting products without paying export duties. These illicit practices leave large areas deforested, barren or unable to renew harvests for decades.



Illegal logging accounts for 50 to 90 percent of all forestry activities in key producer tropical forests, such as those of the Amazon Basin, Central Africa and Southeast Asia. Consequently, this illicit activity directly impacts achievement of SDG 13 (take urgent action to combat climate change) because deforestation and forest degradation contribute more than 17 percent of all man-made greenhouse gas emissions. Similarly, illegal logging undermines the important role forests play as “carbon sinks” in climate systems by limiting their potential to absorb carbon dioxide.



Illegal logging also represents a significant threat to SDG Target 11.4 (protect and safeguard the world's cultural and natural heritage). For example, only three years after being listed as a World Heritage site, Madagascar's Rainforests of the Atsinanana acquired UNESCO “in danger” status, due to illegal logging of ebony and rosewood. Moreover, local tourism jobs are lost when rainforests, animal habitats and associated World Heritage sites are damaged by illegal logging.

In addition, illicit trade in forestry products:



Robs the surrounding local economy of its anchor for economic development, employment and tax revenues that could be used for public investment.



Displaces legal employment opportunities, up to 80 percent in small- and medium-forest enterprises (SMFEs) in developing countries; threatens tourism jobs by damaging protected forests and animal habitats.



Denies consumers of the relevant information to make choices, based on awareness for sustainable development in harmony with nature, including consumption of rare woods and woods sourced unsustainably.



Undermines sustainable management of forests to preserve soil, minimize erosion, purify water, protect aquifers, improve air quality, preserve biodiversity and protect wildlife habitats.



Poses a serious threat to peace and security and damages public trust and institutional structures.

ILLEGAL, UNREPORTED, AND UNREGULATED FISHING



Over the past three decades, the world's fish stocks have seen a worrisome decline while illegal, unreported, and unregulated fishing (IUU fishing) has rapidly intensified. In 2014, the UN declared IUU fishing one of the biggest threats to sustaining fish stocks globally.

Large-scale IUU fishing depletes fish stocks, endangers food security, weakens economies, and undermines conservation efforts worldwide. Furthermore, it deprives coastal fishing communities of income and distorts free and fair competition for law-abiding commercial fishermen. Further downstream, IUU fishing presents problems to retailers when these illicit products enter legitimate channels, undermining consumer confidence in sustainable seafood sourcing and generating reputational damage, market loss and liabilities for companies. The prevalence of IUU fishing and the associated mislabeling of seafood products also means that consumers may be deceived into consuming endangered species.



The global recognition of the significance of the ocean and the resources that lie beneath is underlined by SDG 14. SDG Target 14.4 specifically calls for an end to IUU fishing, recognizing that it frustrates global efforts to ensure a sustainable marine environment and has a debilitating impact on the sustainability of both coastal and offshore fisheries and the livelihoods of those living and working in fisheries-dependent economies.

In addition, illegal, unreported, and unregulated fishing:



Drains the economic viability of legal fishing industries and destabilizes the livelihoods of those living and working in fisheries-dependent economies.



Jeopardizes global fish supplies as a vital component of global food security.



Threatens the industry's long-run contributions to GDP and employment; IUU fishing is an ugly source of forced labor and other human rights abuses.



Threatens 29 UNESCO marine sites around the world and strips significant revenues from the marine-tourism industry.



Undermines governments' capacity to enforce policy, promote the rule of law, eradicate corruption and combat other forms of criminal activity.

PETROLEUM PRODUCTS



Oil and fuel theft along with various forms of fuel fraud are persistent and growing forms of illicit trade, with direct links to organized crime and terrorist groups. Every year, it is estimated that US\$133 billion of fuels are illegally stolen, adulterated, or defrauded from legitimate petroleum companies, with equally significant losses to governments through subsidy abuse and tax evasion.

Illicit trade in petroleum takes many forms, such as diverting oil or refined products from pipelines, siphoning products from large vessels to small barges, unloading stolen or smuggled fuel to another vessel to disguise import origin, smuggling cheaper, untaxed or heavily subsidized fuel into higher priced jurisdictions, and adulteration by mixing lower-cost additives with higher-cost fuels.



Illicit trade in petroleum poses a significant threat to SDG 6 (clean water and sanitation). While the legal petroleum industry invests significantly in environmental stewardship, criminals show little regard to the environment when stealing oil and fuel. Illegal tapping, bunkering and ship transfers carry a higher probability for oil spills and blown pipelines and can cause significant damage to clean water supplies, marine life and other natural resources vital for human wellbeing. For example, illegal refining and third-party interference are the main sources of pollution in the Niger Delta, rendering once flourishing fishing and farming occupations impracticable.

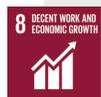


Illicit petroleum trade also has negative effects on energy access. Kerosene subsidies are targeted at households in the poorest nations, who spend as much as 10% of their incomes on kerosene for cooking or boiling water for drinking. The diversion of subsidized kerosene for use as an adulterant in costlier, nonsubsidized motor fuels robs the most vulnerable citizens of their access to kerosene as cooking fuel and undermines government subsidy programs aiming to deliver access to affordable, reliable, sustainable and modern energy (SDG 7).

In addition, illicit trade in petroleum products:



Impacts air quality and climate when adulterated fuels produce higher levels of harmful auto emissions and known carcinogens.



Siphons GDP, jobs and tax revenues needed to stimulate economic growth and finance development. Impacts are generally more severe in developing countries.



Robs governments of excise tax revenues to help fund infrastructure investments.



Increases risks of spills that harm life below water through illegal tapping, bunkering and ship transfers.



Accelerates degradation of ecosystems and jeopardizes biodiversity through increased risk of contamination from oil spills and blown pipelines.



Facilitates and intensifies criminality and corruption, threatens national security and economic stability, which are necessary ingredients for business investment.



Widespread illicit trade in petroleum and fuels has a debilitating effect on efforts to improve domestic resource mobilization by denying the government a significant source of potential tax income.

PHARMACEUTICALS



The global trade in illicit pharmaceuticals extends beyond the generally well-known problem of “fakes” to include substandard, falsified, unregistered and unlicensed drugs as well as their theft, fraud, illicit diversion, smuggling and trafficking.

The problem of illicit pharmaceuticals applies not only to highly publicized lifestyle medicines, such as those used for treating erectile dysfunction and weight loss, but also to lifesaving medicines including those used to treat malaria, cancer, heart disease and other serious illnesses. Generic versions of prescription drugs and over-the-counter (OTC) medicines are also vulnerable. Furthermore, illicit trade in pharmaceuticals includes fake medical devices such as contact lenses, condoms, syringes and wheelchairs where fake or faulty versions all present considerable health and safety risks.



The global trade in illicit pharmaceuticals undermines achievement of several of the SDGs, but none more so than depriving individuals of good health and well-being (SDG 3). When consumers and patients ingest spurious medicines that have little to no medicinal value, the severity of the associated health risk can range from inconvenience to fatality. Falsified, low-quality medicines also have a worrisome impact on antimicrobial resistance (AMR), where multi-resistant strains of some of the world's biggest diseases, such as tuberculosis and malaria, are becoming a serious global public health threat.



It is often the poorest and most vulnerable in society who are tempted by the prospect of cheaper substandard and falsified medical products. Yet, the increased health care costs of being forced to buy effective treatment a second or third time — when a substandard or falsified product fails to work, or when faced with extra costs of coping with the potentially adverse reactions and drug-resistant infections triggered by substandard and falsified medicines and vaccines — can create a vicious cycle of poverty and poor health.

In addition, illicit trade in pharmaceuticals:



Undermines women's health by limiting access to safe and reliable contraception and degrades the integrity of health and family planning programs.



Impairs the marketplace for genuine products, strains public health budgets and endangers jobs and economic activity.



Disincentivizes pharmaceutical innovation and investment in research and development (R&D) of new drugs.



Generates dirty production, environmental shortcuts, disposing of toxic dyes and chemicals without regulatory oversight, ignoring the treatment of wastewater streams.



Facilitates and intensifies organized criminal activity and threaten lives, social stability and peaceful communities.

PRECIOUS METALS AND GEMSTONES



Resource mining contributes significantly to creating decent jobs, enabling economic diversification, generating tax revenues, and bringing vital investments and infrastructure to resource-rich but nonetheless remote and underserved communities. Many low-and-middle-income countries depend heavily on mining to develop their resource endowments as a motor for creating jobs and driving national economic growth that lifts nations out of poverty.



However, illicit trade in precious metals and gemstones undermines the legitimate economic activity that helps economies grow out of poverty (SDG 1). Illicit mineral trafficking has been characterized as a fleecing of national assets and resources, which adversely affects sustainable economic growth and development for resource-rich source countries and the mining industries that work there legally. Fiscal revenues derived from taxes and license fees are lost, mitigating public investment in essential social and economic infrastructure. Likewise, job creation and skills development can help alleviate poverty are lost, along with the investment in and development of supporting infrastructure that serves the mines and local communities.

In addition, illicit trade in precious metals and gemstones undermines the SDGs in the following ways:



Illegal mining practices disregard health and safety requirements for miners and represent a significant source of mercury pollution globally.



Runoff and improper production practices contaminate water basins with heavy metals and other poisons and renders drinking water unsafe for human consumption.



Prevents countries from developing mining resource endowments to drive wider national economic growth; and perpetuates child labor and other human rights violations.



Drains investment in essential infrastructure such as roads that enable wider social and economic progress.



Disregard for mining regulations leads to inefficient use of natural resources and exacerbates the challenge to effectively manage chemical and other wastes.



Exacerbates deforestation and forest degradation, accelerates contributions to CO2 emissions and precludes massive CO2 absorption critical to fighting climate change.



Contamination of rivers and underground water basins jeopardizes biodiversity and underwater ecosystems.



Illegal mineral excavation accelerates deforestation and degrades natural animal habitats.



Funds organized crime, terrorism and military conflict that undermines peace, justice and good governance.

TOBACCO PRODUCTS



Illicit trade in tobacco is perhaps the most widespread and well-documented sector vulnerable to illicit trade. It has been estimated that 1 in every 10 tobacco products consumed globally is illicit. And while most of the policy attention has centered on illicit trade in cigarettes, other tobacco products, such as smokeless and roll-your-own tobacco, are also smuggled.

Illicit trade in tobacco generally includes illicit manufacture of products not declared to tax authorities (e.g., counterfeits, non-duty paid production for local consumption or smuggled out of the country) and illicit importation of tobacco products illegally transported to a jurisdiction where prices or taxes are relatively higher.



Illicit trade in tobacco presents a direct challenge to achievement of SDG 16 (Peace, justice and strong institutions), because it is often driven by organized criminal networks whose activities erode the rule of law. Illicit tobacco trade also has knock-on effects on achievement of SDG objectives to stop illicit financial flows (SDG Target 16.4), corruption (SDG Target 16.5) and other transnational organized crimes such as money laundering and/or human trafficking (SDG Target 16.2). Numerous case studies show that the proceeds from illicit trade in tobacco products are being laundered by organized criminal networks and redirected to fund other criminal activities, including terrorism.



Illicit tobacco trade not only causes significant financial damage to government revenues, but also hurts the economic stability and competitiveness of traders that comply with regulations – creating a drag on economic growth (SDG 8). Every year, governments lose an estimated US\$40.5 billion in tax-based revenue from unreported illicit trade of tobacco products. In some countries, illicit trade can be as high as 40 to 50 percent of the overall tobacco market. The lost tax revenues are a drain on public budgets and severely limit government ability to mobilize sufficient domestic tax revenue (SDG Target 17.1) to provide for public services, infrastructure and healthcare.

In addition, illicit trade in tobacco products:



Increases affordability and access to unregulated tobacco products, which may not meet the health regulations of the destination country and can often include spurious ingredients.



Strips governments of billions in tax revenues needed to promote inclusive economic growth and exploits child labor.

TRAFFICKING IN PERSONS



Trafficking in persons is prevalent in many sectors vulnerable to illicit trade, including fisheries, agriculture, manufacturing and mining. The U.S. Department of Labor has identified 139 goods from 75 countries that are produced by forced and child labor, including everything from diamonds and cotton to garments and electronics. In addition to forced labor, sexual exploitation, domestic servitude, and organ removal are examples of how human trafficking degrades people to commodities that are traded for profit. Trafficking in persons is a human rights abuse that represents a failure of the global community to protect the most vulnerable members of our communities, including those living in poverty and conflict. The 2030 Agenda for Sustainable Development contains three specific targets to end human trafficking, under SDGs 5, 8 and 16. However, the costs of these grave human rights violations extend across several other SDGs, prohibiting the achievement of a just, free and equitable society. As such, combating trafficking in persons is key to achieving several of the SDGs.



Trafficking in persons:

 <p>Exposes trafficking victims and sex clients to significant health risks, including HIV, AIDS and other STDs; and can preclude access sexual, reproductive and health care services.</p>	 <p>Exposes vulnerable migrant workers to elevated risk of being forced into slave labor or other human rights violations.</p>
 <p>Denies decent and rewarding work opportunities for women, men and young people; and exposes them to labor rights violations and unsafe working environments.</p>	 <p>Undermines peace and justice and perpetuates abuse, exploitation, violence and slavery; contributes revenues to criminal groups that destabilize communities and the rule of law.</p>

WILDLIFE



Illicit trade in wildlife is a serious threat to local ecosystems and is almost entirely responsible for pushing some of the world's most popular and unique species to the brink of extinction. According to the UNODC, virtually every country in the world plays a role as a source, transit, or destination of illicitly traded wildlife. Illicit trade in wildlife robs countries of their natural heritage and damages the livelihoods of local communities who depend on tourism. Because of its criminal nature, it also undermines good governance and the rule of law, fuels corruption and finances criminal networks that threaten peace and security. Stopping illicit trade in wildlife is crucial to achieving several SDGs, and particularly SDG 15, which calls for urgent action to halt the loss of biodiversity, to protect and prevent the extinction of threatened species, and to end poaching and trafficking of protected species of flora and fauna.

In addition, illicit trade in wildlife:

 <p>Deprives communities of access control over land and natural resources, especially those dependent on tourism.</p>	 <p>Threatens half of the world's 200 designated UNESCO natural heritage sites home to many of the world's most endangered species.</p>
 <p>Prevents opportunities for value addition and non-farm employment in the tourism sector.</p>	 <p>Undermines governments' capacity to enforce policy, promote the rule of law, eradicate corruption and combat other forms of criminal activity that threaten peace and security.</p>
 <p>Negatively impacts the economies of communities which depend on wildlife for their livelihoods.</p>	

Implications and next steps

The sweeping, negative impacts of illicit trade on the SDGs point to a wide range of challenges for both governments and business. Hence, it will be expedient to:

Attend to developing and least developed countries. The alarming consequences of illicit trade are especially evident in developing countries hard-pressed to monetize resources, commercialize innovation, attract investment, establish lasting job opportunities and create genuine, long-term economic growth. As such, it will be critical to support the capabilities of developing countries to better defend against illicit trade by inter alia taking stock of national government experiences, challenges, priorities and requests for assistance while also identifying where “in-country” efforts would be most valuable and most effective.

Account for the interconnected nature of the challenge. As noted by the UN, the SDGs are integrated and indivisible in nature with significant inter-linkages across the goals and targets. Ending poverty, for example, must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, job opportunities and environmental stewardship. By the same token, a holistic approach is needed to address the significant number of interdependencies and overlapping problems relating to multiple forms of illicit trade. The impacts of illicit trade cannot be examined effectively in isolation of other sectors, nor can they be addressed in isolation of the SDGs.

Promote shared responsibility. Improving public-private dialogue and promoting partnerships will be needed to address the global nature of illicit trade. Public and private actors can play an important role in determining a responsive, evidence-based work program for addressing illicit trade, including delineation of best practices, and, where applicable, development of regulatory standards.

Prioritize the policy response. The findings from this study demonstrate that illicit trade is a significant deterrent to achieving the SDGs. As governments go about formulating policies and implementing programs to achieve the SDGs, a first order consideration should be to reduce the deterrent forces of illicit trade and plug the fiscal leakages associated with it. This approach has the immediate effect of adding resources and revenues back into the global economy, putting more policy tools back on the table, and reducing timelines, costs and other hurdles to achieving the goals.

Foster political will and leadership. Addressing the threat of illicit trade on the SDGs will require political will of government officials at all levels to prioritize the problem, actively pursue solutions and invest in enforcement measures. This study provides a first step in raising awareness on the threat of illicit trade on achieving the SDGs. The work also serves as a roadmap to help policy makers identify areas that merit greater attention and to formulate effective strategies to address the serious threats posed by illicit trade.

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