



## Side Event for 4th PrepCom for FFD4

on

### **COMBATTING ILLICIT FINANCIAL FLOWS (IFFS) AND ENHANCING DOMESTIC RESOURCE MOBILISATION (DRM) FOR FINANCING DEVELOPMENT: A DECADE UNDER REVIEW**

**Date:** 30 April 2025

**Time:** 13:15 to 14:30

**Venue:** Room CR-D United Nations Headquarters, New York

The side event focuses on the importance of reducing illicit financial flows (IFFs) and enhancing domestic resource mobilisation (DRM) to support the financing for development initiatives is hosted by the South African G20 Development Working Group and the South Centre, funded by the International Economic Partnership Programme<sup>1</sup>.

Over the past decade, the global community has made important strides in tackling IFFs and strengthening DRM – two sides of the same coin – that are critical enablers of sustainable development and fiscal sovereignty. While tax authorities in many developing countries have seen improvements in administrative capacity, IFFs continue to siphon billions in public revenue from developing countries, undermine good governance, constrain their ability to deliver on the Sustainable Development Goals (SDGs) and therefore increase their reliance on official development assistance (ODA)

This contentious topic is not a new one. In 2015, IFFs were recognised as a development threat during the Third International Conference on Financing for Development in Addis Ababa. A dedicated side event underscored their corrosive impact on national budgets

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<sup>1</sup> A Foreign, Commonwealth and Development Office (FCDO) programme

and their role in perpetuating inequality and underdevelopment. Since then, IFFs have been incorporated into the SDGs under Target 16.4, and the international community has made progress in refining their definition, measuring their magnitude, and embedding them into global policy discourse.

Yet the scale of the problem remains staggering. Africa alone loses over USD 88,6 billion annually to IFF - exceeding the total it receives in ODA. These outflows, coupled with persistent challenges in raising domestic revenues, represent one of the greatest obstacles to financing development from within.

As the world prepares for the Fourth International Conference on Financing for Development (FfD4) in Seville, it is more urgent than ever to put IFFs and DRM at the heart of the global financing conversation. If countries are to finance development sustainably, equitably, and at scale, then stemming illicit flows and strengthening domestic fiscal systems must be recognised as foundational pillars of the FfD agenda. Without tackling these issues, efforts to mobilise private capital, scale concessional finance, or promote debt sustainability will remain incomplete.

As Chair of the G20 Development Working Group in 2025, South Africa places the issue of IFFs and DRM at the centre of the G20 development finance agenda. This side event reflects on the last decade's progress, surfaces practical experiences, and identifies concrete steps forward from the G20, providing recommendations for the Fourth International Conference on Financing for Development (FfD4) in Seville.

Join us as we shift the conversation from leakage to leverage, ensuring that the global financial system works for all, and that financing for development starts with financing from within.

## **Objectives of the Side Event**

This side event will:

1. Review progress made in curbing IFFs and enhancing DRM since the 2015 Addis Ababa FfD Conference and the 2016 G20 Hangzhou Communique.

2. Examine the magnitude of the problem, its impact on development over the past decade, while showcasing African perspectives.
3. Showcase what the G20 Developing Working Group is proposing, while highlighting the importance of IFFs and DRM in financing for development
4. Provide forward-looking recommendations to strengthen global cooperation, inform the Seville FfD4 agenda, and establish a possible roadmap to address SDG 16.4.1.

## AGENDA

Time	Description	Speaker
13:15 – 13:20	Welcome and Opening Remarks	Ms Josephilda Nhlapo-Hlophe, Deputy Director General, Department of Planning Monitoring & Evaluation (South Africa)   Chair G20 Development Working Group
13:20 – 13:30	Framing the G20 Development Working Group Agenda: Overview of Key Themes and Priorities in 2025 and their linkages to FfD	Lusanda Batala, Chief Sector Expert, Department of Planning Monitoring & Evaluation (South Africa)   G20 Illicit Flows Lead of the Development Working Group
13:30 – 13:50	Financing Development from Within: A Decade of Tackling Illicit Financial Flows and a Coherent Global Policy Agenda	Ms Kathy Nicolaou-Manias, Programme Director of the International Economic Partnership   Illicit Financial Flows Technical Advisor to the G20 Development Working Group
13:50 – 14:10	Financing Development from Within: A Decade of Tackling Domestic Resource Mobilisation in Africa	Mr Thulani Shongwe, Senior Manager of International Tax, African Tax Administration Forum   DRM Advisor to the G20 Development Working Group
14:10 – 14:25	Interactive Panel Discussion and Open Floor Reflections, Questions and Answers	Moderated by Ms Yuefen Li, G20 Sherpa and Senior Advisor, South Centre
14:25 – 14:30	Closing Reflections and Recommendations	Ms Josephilda Nhlapo-Hlope