



THE CENTER FOR GLOBAL DEVELOPMENT

Commitment to Development Index 2020

The **Commitment to Development Index (CDI)** ranks 40 of the world's most powerful countries on policies that affect more than five billion people living in poorer nations. Because development is about more than foreign aid, the Index covers seven distinct policy areas:

DEVELOPMENT FINANCE

Development Finance

EXCHANGE

Investment
Migration
Trade

GLOBAL PUBLIC GOODS

Environment
Security
Technology

Why Does Commitment to Development Matter?

In our integrated world, decisions made by the richest countries about their own policies and behaviour have repercussions for people in lower-income nations. At the same time, greater prosperity and security in poorer countries benefit the whole world. They create new economic opportunities, increase innovation, and help reduce risks posed by public health, security, and economic crises. The CDI looks at 40 countries with some of the largest economies and celebrates those with policies that benefit not only themselves, but also the development of others and our common good.

How Do We Calculate the Commitment to Development Index?

We use thousands of data points across more than 50 indicators to come up with overall rankings and for each of the seven policy components. Countries score well for things like generous and

high-quality finance for development, transparent investment, low barriers to trade for developing countries, and migration policies which are open and promote integration. They also do well for policies that enhance global public goods, such as robustly supporting technological research and development, protecting the environment, and contributing to global security.

Like the Sustainable Development Goals, the CDI recognizes development progress is holistic. But while the SDGs focus on outcomes and all nations, the CDI emphasizes how the policies of the richest countries can make a huge difference.

COUNTRY REPORTS AND MORE

Visit cgdev.org/cdi to explore the Commitment to Development Index, including full country reports, interactive web portal, full calculations, and method paper.

CDI 2020 Results: How Well Are Countries Doing?

Sweden tops this year's CDI, followed by France in second, and Norway in third place. Sweden scores well across six out of seven components of the CDI, ranking first on migration, third on development finance, and in the top 10 on trade, investment, environment, and security. Still, it has room for improvement on technology, where it ranks 20th.

France comes second, ranking second on environment and third on investment but with mid-table scores on development finance and migration. Norway takes third place with strong scores on development finance and migration but room for improvement on trade and environment. The UK and Germany complete the top five, the former topping the security component but with room for improvement on migration and technology, and the latter strong on investment, migration, and trade but scoring less well on environment, security, and technology.

Development leadership within and beyond the G20

This year we expanded the CDI to reflect the importance of large countries within and beyond the G20 in the global economy and their influence on development in poorer countries. Nine countries we assess—Argentina, Brazil, China, India, Indonesia, Mexico, Russia, South Africa, and Turkey—are classified as middle-income. We maintain our traditional approach of measuring policy contributions relative to economic (or population) size to enable comparisons but we also produce income-adjusted results to recognise that responsibility rises with income.

Amongst the middle-income countries, **South Africa** ranks highest in 25th position, with a top-five score on technology and a top-half ranking on security. **Turkey** is next highest in 29th—its major contribution to supporting refugees within its borders puts it second on migration; and it ranks fourth on development finance. It earns weaker scores in technology, trade and investment.

Chile is also included in the CDI for the first time, ranking 23rd. It tops the environment component with virtually no subsidies for fossil fuels and low greenhouse gas emissions; it also scores well on trade.

Portugal, South Africa, Chile, and Hungary rise in income-adjusted scores

Given the widely varying incomes of the countries we assess, we also calculate an income-adjusted score which considers how countries perform relative to an “expected score” based on their income level. **Sweden** also tops this ranking—its score is the furthest above the expected score for a country at its income level. Under this method, four countries—**Portugal, South Africa, Chile, and Hungary**—improve their rank by more than 10 places to 4th, 6th, 12th, and 13th, respectively. Moving the other way, **Norway, Luxembourg, and Switzerland** fall significantly in the income-adjusted

rankings (to 27th, 30th, and 37th respectively), suggesting they could do more based on their very high income levels.

China's development contribution

China, the world's second-largest economy, ranks 35th overall in how its policies contribute to development relative to its size. Surprisingly, while China is a major lender to developing countries, it ranks last on development finance, largely because our measure looks at the degree of subsidy in China's annual lending rather than the significant face value of China's loans. China is among the 10 largest providers in absolute terms, but this is low relative to its economy size. China's development finance also scores poorly on our quality measure.

China ranks in the top half on technology, with large tax incentives for research and low restrictions on intellectual property in its trade deals. On environment, China ranks 24th—its greenhouse gas emissions per head are lower than most (see figure 2) though it continues to produce coal and has not signed on to several environment treaties.

COVID-19 and global health security

The CDI measures several areas related to preventing and mitigating global disease spread, highly relevant as the world grapples with the COVID-19 pandemic. Within development finance, it rewards support to the multilateral system, including the World Health Organization and GAVI, the Vaccine Alliance. In technology, it rewards public research and development (R&D) support, on which **South Korea** spends the most. On trade, we mark down countries for trade restrictions. We added two measures in security on health—on antimicrobial resistance and on capability to prevent, detect, and respond to threats; the **Netherlands** scores well across both measures.

New indicators on gender and conflict potential

This year's CDI includes several new measures, including four assessing the promotion of gender equality with a focus beyond aid. The **United States** has the highest share of female migrants, at 54 percent. **Argentina** accepts the highest proportion of female international students, at 60 percent. At 18 percent, **Australia** scores best on female peacekeepers, who evidence suggests make distinct and positive contributions. We also reward the 28 countries that ratified the UN Resolution on Women, Peace, and Security.

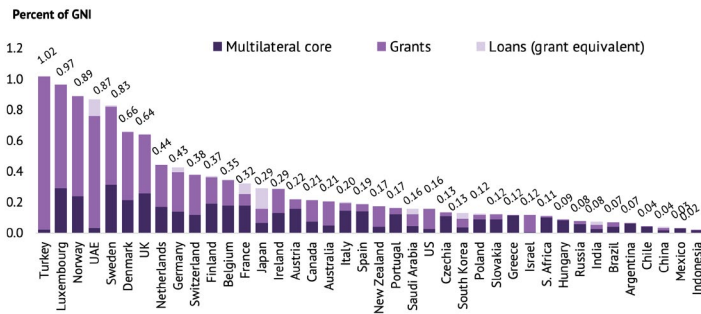
Another new measure is on the “conflict potential” of arms sales alongside a measure of the value. Conflict potential measures sales to countries which are militarised, undemocratic, and poor. **Luxembourg** top this measure, with the smallest share of arms reaching such destinations, while **Russia** finishes last. **China, Canada, and Israel** could all reconsider whom they sell arms to.

Development Finance

Development Finance Quantity and Quality

Providing grants or finance to developing countries on concessional terms remains an important part of development policy. To measure the quantity of development finance consistently across OECD and other countries, we developed the “Finance for International Development” (FID) measure. We also assess the quality of development finance, with credit for contributions through the multilateral system and bilateral indicators assessed under two categories: focus on poor or fragile countries, and effective practices.

Figure 1. Finance for International Development (FID) as a share of national income (2017)



Source: *Finance for International Development*, Mitchell, Ritchie and Rogerson, Center for Global Development (2020)

Luxembourg tops the development finance component, scoring well on both quantity (providing just under 1 percent of GNI as FID) and quality. **Turkey** provides the most relative to its GNI, and as Syria receives most of its development finance, its scores well on the poverty and fragility focus. The **United Arab Emirates** is also generous (providing 0.9 percent of GNI) but gives more to middle-income countries and so performs less well on quality. **Belgium** and **Ireland** top the quality subcomponent based on their strong focus on poor countries.

China scores poorly on both quantity and quality. Although financial flows from China are large, the concessional quality of these flows is either low or in doubt. China is the least transparent provider of finance, and its finance is explicitly tied to Chinese supplies.

The **United States** comes in mid-table on development finance, at 20th. It provides the most development finance in absolute terms; it is less generous relative to the size of its economy, providing 0.16 percent of GNI.

International Exchange

Investment

Foreign direct investment is the largest source of financing for many developing countries. The CDI rewards countries for policies that support investment and for signing on to international commitments (including preventing bribery

and safeguarding human rights) but do not undermine partner countries' ability to develop sustainable public policy. Countries are penalised for policies that allow financial secrecy, which enables tax evasion, money laundering, and corruption, and degrades governance and international security.

Canada ranks first on investment thanks to its development-friendly bilateral investment agreements. **Mexico** also scores strongly on its agreements and is the highest placed middle-income country on investment. **Spain** is the most transparent financial jurisdiction, followed by **Belgium** and **France**, while the **United Arab Emirates** and **Turkey** are the most secretive.

Migration

Labour mobility can be a powerful tool for poverty reduction. By migrating to richer countries, workers can increase their productivity and earn higher incomes. Migrants send billions of dollars home each year, a flow that surpasses foreign aid. The CDI rewards countries for welcoming migrants from poorer countries, receiving a high share of female migrants, accepting refugees, embracing sound migrant integration policies, and joining international conventions protecting the rights of migrants.

Sweden scores highest overall on the migration component. It welcomed the largest number of migrants relative to its population (with a higher weight for migrants from poorer countries) and the second largest number of refugees relative to population; it also scores highest on its integration policies. **Turkey** comes second by hosting a significant number of refugees relative to its population (45 per 1,000 population, or over 10 times the CDI average of 4.4).

Eastern European countries occupy the bottom three spots, with **Slovak Republic** last below **Poland** and **Hungary**. Each has low migrant numbers and low shares of female migrants.

Trade

Trade provides poorer countries with opportunities to attract investment, create jobs, and reduce poverty. Large economies dominate global trade, with some goods and services from poorer countries still facing trade barriers. Tariffs and subsidies create an uneven playing field for agricultural goods, and red tape and legal restrictions make trade harder for developing countries.

The **Netherlands** scores highest on trade with low tariffs and agricultural subsidies, strong logistics, and openness to trade in services. **Australia** and **New Zealand** rank second and third respectively.

Brazil, **India**, and **Argentina** are at the bottom of the trade component. They have high tariffs after weighting tariffs against poorer countries more heavily. On agricultural subsidies, countries outside of Europe are leading the way. **South Africa**, **Argentina**, **Brazil**, **Chile**, and **Indonesia** join **New Zealand** and **Australia** in providing subsidies which are under 3 percent of agricultural output and well below the all-country average of 13 percent.

Global Public Goods

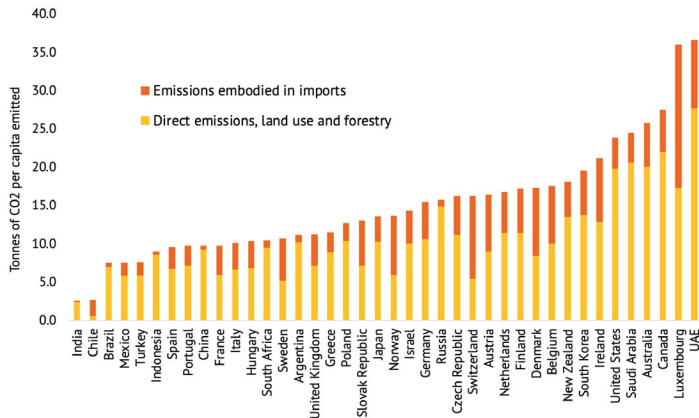
Environment

Higher-income countries contribute most to climate change, but poorer countries will suffer most. They are more susceptible geographically, have fewer resources and less state capacity to deal with the effects, and many more of their people depend directly on the environment to meet their daily needs. The CDI scores countries on how low their greenhouse gas (GHG) emissions are; their production and subsidy levels of fossil fuels; the extent to which carbon emissions are priced; whether they avoid subsidies to fishing and also on signing up to environmental treaties.

Chile is the best performer on environmental policies. It gives negligible subsidies to fossil fuel industries, and with **India**, it has the lowest emissions per capita. **Sweden** and **Finland** have the highest prices on carbon but their emissions per capita were higher than those in the top 10. **France** prices carbon highly and signed all the major environment treaties but is held back by its subsidies to fishing and fossil fuels industries.

The bottom places are all major fuel-producing countries. The **United Arab Emirates** is last due to having the highest GHG emissions, and fossil fuel production and subsidies, and no price on carbon. **Saudi Arabia** and **Canada** are 39th and 38th respectively.

Figure 2. CDI countries' greenhouse gas emissions by source



Source: CGD analysis of Potsdam Institute for Climate Research, UN Food and Agriculture, and OECD data

Security

Security and development are closely linked. War and political violence can destroy livelihoods and public institutions, while poverty and institutional weakness make it easier for violence to erupt. The CDI rewards countries for contributing to peacekeeping and humanitarian interventions, basing naval fleets where they can secure sea lanes, and participating in international security regimes that promote non-proliferation, disarmament, and international rule of law. The CDI penalizes countries for arms exports, especially to nations with undemocratic regimes, and for not publishing data on arms exports.

In 2020, we add a global health subcomponent, which measures efforts to prevent antimicrobial resistance and policy capability to prevent, detect, and respond to threats. The **Netherlands** does best on efforts to curb antimicrobial resistance, with low antibiotic consumption and good governance on antibiotic use.

The **United Kingdom** leads on security as a significant contributor to sea lanes protection and as a leader on global health. **Austria** ranks second with the highest support to peacekeeping relative to the size of its economy. The **United States** comes third and provides the largest proportion of GNI to international sea lanes protection. **Japan** exports the fewest arms relative to its economy.

Israel, Saudi Arabia, and the United Arab Emirates place at the bottom on security. **Israel** has the highest value of arms exports relative to the size of its economy at 1.9 percent of its GNI. In a new measure, we consider the conflict potential of arms exports. **Russia** and **China** come bottom, sending the highest shares of their arms to poor, undemocratic, and militaristic countries.

Technology

Technology is critical to economic and human development. New technologies reduce the prices of goods and services, making them more accessible. Advances in medicines, information and communication technology, sustainable energy, and agricultural technology help raise the quality of life worldwide. Developed economies with strong research networks and technological bases can play an important role in creating and diffusing knowledge worldwide. The CDI penalises countries for policies that can inhibit the international flow of innovations and rewards government support for R&D.

Luxembourg, Australia, and South Korea are top performers on the technology component. Each commits above-average levels of government funding for R&D. **South Korea's** direct government support to R&D reaches 0.98 percent of GNI. Meanwhile, **France** scores top on tax incentives—its policy environment provides supports to business expenditures on R&D worth 0.54 percent of GNI.

On technology transfers, **Luxembourg** and **Australia** accept the most significant share of foreign students when weighted by the poverty of the country of origin. In a new measure, we consider efforts by a country's researchers to co-author outputs with partners in developing countries. On this, **South Africa** comes top.

Greece ranks last on technology with limited government support to R&D and few foreign students.

On intellectual property rights, countries outside the EU, including **China, Indonesia** and **Switzerland** are leading by not requiring their counterparts to agree to more stringent intellectual property rights than those already embodied in World Trade Organization rules.

COMMITMENT TO DEVELOPMENT INDEX



DEVELOPMENT FINANCE	Quantity Multilateral Support Poverty and Fragility Focus Effective Practice	DEVELOPMENT FINANCE
INVESTMENT	Anti-corruption Business & Human Rights Natural Resources Financial Secrecy Investment Agreements	EXCHANGE
MIGRATION	Migrant Inflow Female Immigrants Refugee Hosting International Migration Conventions Integration Policies	
TRADE	Tariff Average Tariff Peaks Agricultural Subsidies Trade Logistics Services Trade Restrictiveness	
ENVIRONMENT	Greenhouse Gas Emissions Fossil Fuel Production Fossil Fuel Support Carbon Pricing Fishing Subsidies International Environmental Conventions	GLOBAL PUBLIC GOODS
SECURITY	Peacekeeping Contributions Female Peacekeepers Sea Lanes Protection Arms Trade Value Conflict Potential of Arms Exports International Security Conventions Antimicrobial Resistance Global Health Security	
TECHNOLOGY	Government Support Tax Incentives Foreign Students Female Students Research Collaboration Intellectual Property Rights	

Each of the seven components is underpinned by a series of indicators of policy effectiveness which are standardized and weighted according to their importance in development.

Country	Overall rank	FINANCE	EXCHANGE			GLOBAL PUBLIC GOODS			Income-adjusted rank
		Finance	Investment	Migration	Trade	Environment	Security	Technology	
Sweden	1	3	6	1	5	7	8	20	1
France	2	15	3	18	14	2	7	4	2
Norway	3	2	7	3	33	26	10	6	27
United Kingdom	4	5	2	24	10	10	1	21	3
Germany	5	10	5	5	4	14	14	25	5
Luxembourg	6	1	26	4	19	36	26	1	30
Netherlands	7	9	16	9	1	19	4	26	8
Australia	8	21	8	13	2	37	9	2	11
Austria	9	25	21	10	12	15	2	9	16
Denmark	10	6	20	20	9	17	5	23	23
Belgium	11	7	12	8	15	23	24	15	9
Finland	12	12	11	16	6	25	11	24	17
Switzerland	13	13	17	12	27	21	12	8	37
Canada	14	14	1	7	17	38	20	11	18
New Zealand	15	36	23	6	3	27	22	7	10
Portugal	16	19	15	11	20	5	17	18	4
Italy	17	16	4	17	16	8	21	30	7
United States	18	20	9	19	8	35	3	27	35
Ireland	19	8	13	27	23	28	6	31	33
Spain	20	23	18	14	13	3	23	37	15
Japan	21	18	10	35	7	22	25	13	22
Czechia	22	27	22	37	18	13	16	19	14
Chile	23	30	32	21	11	1	33	34	12
Hungary	24	28	19	38	24	6	13	33	13
South Africa	25	29	31	30	30	31	15	5	6
South Korea	26	34	30	23	34	29	28	3	26
Slovak Republic	27	26	24	40	22	9	19	36	21
Greece	28	24	25	28	28	11	18	40	24
Turkey	29	4	37	2	35	33	34	38	19
Brazil	30	22	29	15	40	12	29	28	20
Poland	31	35	28	39	25	20	27	39	29
Mexico	32	32	14	36	36	18	31	32	25
Argentina	33	31	33	22	38	30	32	16	31
Indonesia	34	33	35	33	37	16	30	29	28
China	35	40	36	26	31	24	36	14	34
Russia	36	37	38	29	32	34	37	12	36
India	37	38	34	31	39	4	35	35	32
Israel	38	39	27	25	26	32	40	22	39
Saudi Arabia	39	17	39	34	29	39	39	10	38
UAE	40	11	40	32	21	40	38	17	40

About the CDI

The Center for Global Development has compiled the Commitment to Development Index annually since 2003. CGD works to reduce global poverty and improve lives through innovative economic research that drives better policy and practice by the world's top decision makers. Ian Mitchell directs the CDI with significant contributions from Lee Robinson, Beata Cichocka, and Euan Ritchie. The 2020 CDI builds on the work in earlier editions by Anita Käppeli, Owen Barder, and David Roodman. The CDI is supported by funding for CGD Europe's development effectiveness programme, including contributions from the governments of Australia, Germany, Luxembourg, Norway, and Sweden. The CDI does not reflect the official opinion of funders. The authors are responsible for all methodological decisions and for the information and views expressed here.



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