

GLOBAL EMERGING MARKETS RISK DATABASE (GEMs)

What is GEMs?

- The Global Emerging Markets Risk Database (GEMs) is a powerful alliance of 29 multilateral development banks and development finance institutions pooling 40 years of investment experience in emerging economies. Co-led by the European Investment Bank (EIB) and the International Finance Corporation (IFC), this consortium makes credit risk data freely accessible at gemsriskdatabase.org and on other platforms such as Bloomberg and Data360.
- GEMs provides comprehensive credit risk data on recovery and default rates, offering insight into the true potential of emerging markets. The dataset sheds light on actual loan performance, enabling smarter financing and supporting the development of AI-driven and data-led solutions across sectors. It helps ensure that investment decisions are grounded in evidence rather than shaped by bias or outdated assumptions.
- The GEMs database complements the broad portfolio of instruments deployed by multilateral and international financial institutions to promote financial stability and mobilise private capital for sustainable development. Working as a system, these institutions provide preferential and concessional financing, public guarantees, professional assessments, information and data. Together, they enable projects to materialise and foster strong, strategic partnerships around the world, helping to build a robust global investment landscape.

How does GEMs support investment?

- Emerging markets face massive investment needs in physical and social infrastructure, ranging from energy, transport, water and digital connectivity to health and education. Over recent decades, multilateral development banks have responded swiftly to these needs, reallocating resources and providing humanitarian aid during crises. This agility is reinforced by financing innovation and leadership. Multilateral organisations are also at the forefront of private finance mobilisation, unlocking financing where the needs are greatest.
- Aligning with the G20 roadmap, GEMs grounds development goals in real evidence, boosting investor confidence. Its rich data help multilateral development banks and development finance institutions attract co-investors and guide smarter, evidence-based investment decisions.
- Investing in emerging markets supports long-term development and job creation where they are needed most. GEMs replaces assumption with data, enabling more informed and smarter decisions.
- In today's uncertain world, GEMs underscores the importance of transparency and empowers domestic and international investors to diversify portfolios and manage risks. It enables investors and credit rating agencies to reassess historical default and recovery rates, reduce inflated risk premiums and improve asset allocation and pricing models.

What do the data show?

- The latest GEMs reports, published in April and October 2025, provide new, detailed insights into loan performance, revealing valuable trends across sectors, regions and lending types.
- Even in regions commonly considered high risk, defaults are infrequent and recovery rates are surprisingly strong – challenging assumptions and revealing opportunities.
- Between 1994 and 2024, public entities had an average default rate of 2.61%. Recovery rates averaged 85.8%, a high success rate partly attributable to state guarantees.
- Multilateral development banks' sovereign lending to 167 emerging and developing countries also performed strongly between 1984 and 2024, with an average annual default rate of 0.77%, well below rates observed by credit rating agencies. Recovery rates averaged 95.1%.
- Private lending is riskier, but shows strong recovery potential. Between 1994 and 2024, loans by multilateral development banks and development finance institutions to more than 10 000 private entities in 169 countries had an average default rate of 3.54%, comparable to private firms in advanced economies. Recovery performance was also strong, averaging 72.9% – above global benchmarks.

Who is behind GEMs?

- The EIB and IFC co-founded the GEMs Consortium in 2009 and co-chair the GEMs Steering Committee, which governs strategic matters. The consortium brings together the 29 largest multilateral development banks and development finance institutions from all around the world.
- The GEMs Secretariat, hosted by the EIB since its inception, manages the work programme by coordinating the data, methodology, product dissemination, communication and collaboration, and representing the consortium in international forums.



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