GEMS
Global Emerging Markets Risk Database

Multilateral Development Banks and
Development Finance Institutions

DEFAULT AND RECOVERY STATISTICS
PUBLIC LENDING 1994-2024

Publication summary

Introduction

The [Global Emerging Markets Risk Database (GEMs)](#) Consortium was established in 2009 as a joint initiative of the European Investment Bank (EIB) and the International Finance Corporation (IFC) to pool credit risk data. The GEMs database is a common good designed to catalyse investments in emerging markets and support technical cooperation between international institutions. GEMs comprises 27 member institutions, all of which are Multilateral Development Banks (MDB) and Development Finance Institutions (DFI) with business activities in emerging markets and developing economies.

GEMs collects data from its members on their performing and non-performing exposures in emerging markets and developing economies and produces statistics on default and recovery rates categorised by dimensions such as geography, sector, income group and others.

This document summarizes the key findings of the October 2025 GEMs publication, Default and Recovery Statistics - Public Lending 1994-2024. The publication shares the default and recovery rates of GEMs members' public counterparts, which include entities such as municipalities or at least 50% state-owned enterprises.

Dataset composition

Item	Count
Counterparts	1 181
Contracts	2 386
Defaulted Counterparts	286
Contracts for Recovery Rates	308

In parallel to this summary, separate summaries are available at https://www.gemsriskdatabase.org/ sharing insights on the default and recovery rates of private counterparts and sovereign and sovereign-guaranteed lending.
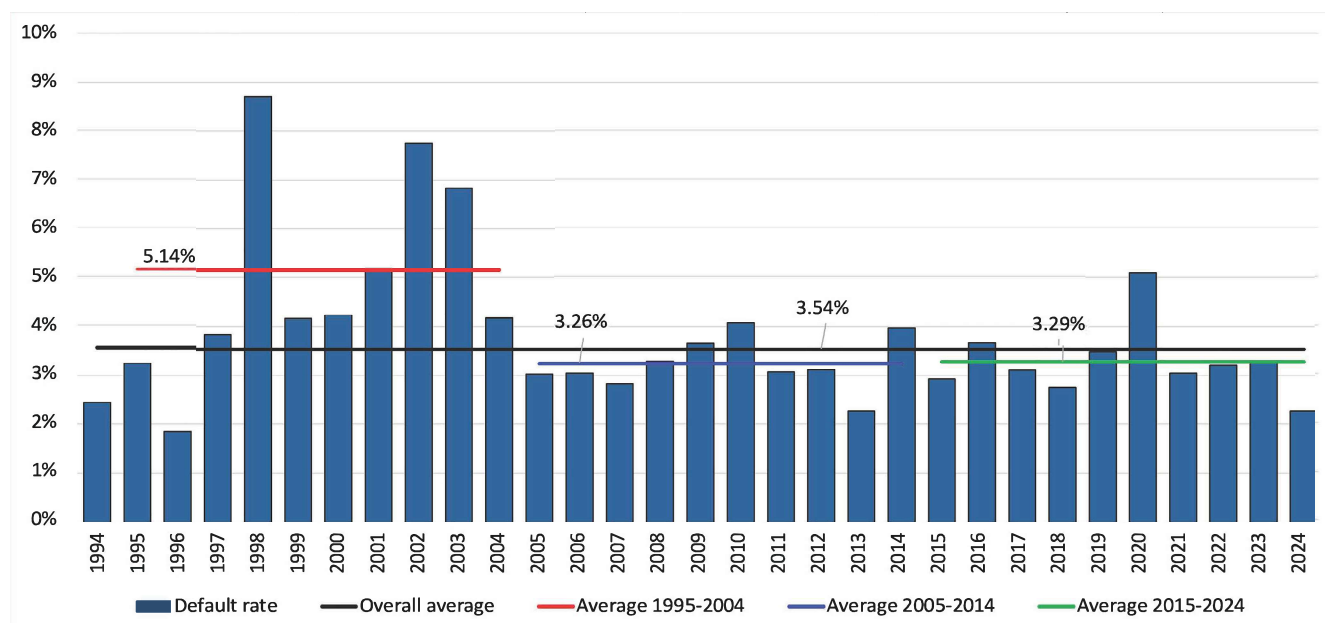
Key Findings: Default Rates

Over the 1994-2024 reporting period, public counterparts exhibited an average default rate of 2.61%.

Average default rate

Counter-parts	Observed years	Number of defaults	Number of observations	Signed Amount EUR Mio	Lower of 90% confidence interval	Average default rate	Upper of 90% confidence interval
1 181	31	286	10 977	178 703	2.15%	**2.61%**	3.06%

Between 2004 and 2013 default rates decreased compared with the preceding decade and continued to decline between 2014 and 2024. An increase in defaults in 2020, up almost 80% from the year before, highlights the effects of the COVID-19 pandemic.

Annual default rates

According to the chart legend: Default rate, Overall average, Average 1995-2004 (5.14%), Average 2005-2014 (3.26%), Average 2015-2024 (3.29%), with additional labels 3.54%.

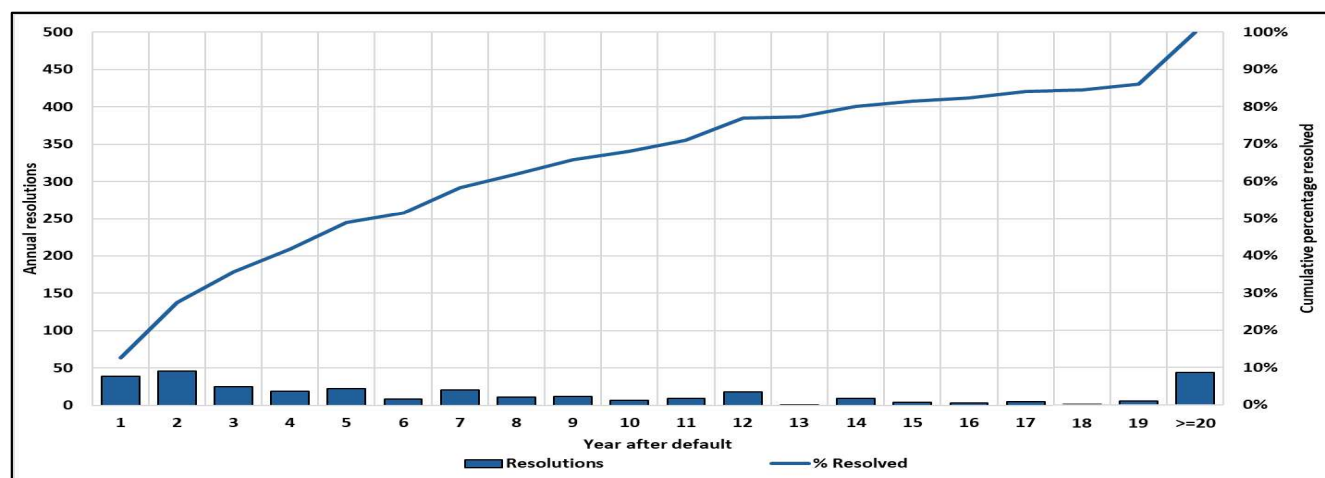# Key Findings: Recovery Rates

The GEMs database contains 308 defaulted contracts with public counterparts that allow calculation of recovery rates. GEMs finds that public counterparts exhibit an average recovery rate of 85.8%.

Average recovery rate

Number of defaults	Signed amount EUR Mio	Average recovery rate	Minimum observation	10th percentile	25th percentile	Median	75th percentile	90th percentile	Maximum observation
308	5 615	**85.8%**	0.0%	52.1%	85.3%	**98.5%**	100.0%	100.0%	100.0%

According to GEMs, 50% of the contracts resolve within the first 5 years. Overall, the cumulative number of resolved contracts exhibits a slowly decreasing pace as years pass, implying that the marginal resolved cases decrease every year. 14% of the contracts have a time to resolution of at least 20 years.

Time to resolution

The full GEMs publication, Default and Recovery Statistics - Public Lending 1994-2024, is available at https://www.gemsriskdatabase.org/ and includes brand new statistics highlighting default rates by project type and recovery rates by continent, sector groupings, seniority, and project type.