



Global Emerging
Markets Risk
Database

Multilateral Development Banks

**DEFAULT AND RECOVERY STATISTICS
SOVEREIGN AND SOVEREIGN-GUARANTEED
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 - Sovereign and Sovereign-Guaranteed Lending 1984-2024. The publication shares the default and recovery rates of GEMs members' sovereign and sovereign-guaranteed lending to the 167 countries included in the GEMs dataset. It constitutes direct lending to sovereign countries and to their states, institutions and agencies with an explicit guarantee by the corresponding sovereign to pay overdue amounts if individual borrowers do not pay on time.

The statistics in the GEMs publication show substantially lower default and recovery rates than those found in other publications on sovereign lending, such as the output from databases maintained by credit rating agencies for non-MDB lending.

In parallel to this summary, separate summaries are available at <https://www.gemriskdatabase.org/> sharing insights on the default recovery rates of private and public counterparts.

Key Findings: Default Rates

According to GEMs statistics, a total of 39 countries defaulted over the 41-year observation period, some of them multiple times, and 15 countries had ongoing default events at the end of 2024. Based on observed defaults for countries over the 1984-2024 period, GEMs finds an average annual default rate of 0.77%.

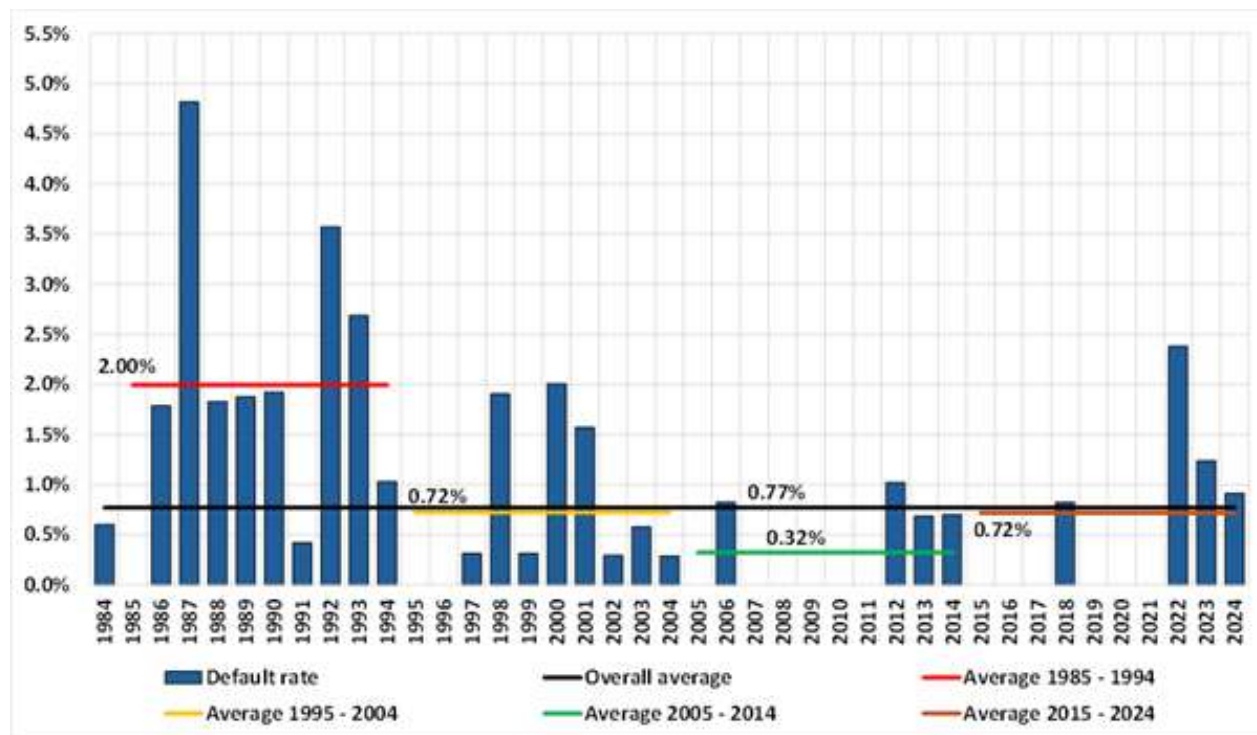
Average default rate

Unique countries	Signed amount € million	Observed years	Observations	Defaults	Minimum annual default rate	Maximum annual default rate	Average annual default rate	Lower of 90% confidence interval	Upper of 90% confidence interval
167	1 723 368	41	4 889	37.8	0.00%	4.82%	0.77%	0.51%	1.03%

It is worth noting that the default rates by GEMs credit rating are substantially lower than the default rates that credit rating agencies observed for sovereign borrowings from non-MDB lenders.

The below chart shows the number of countries in default with at least one MDB for each of the 41 years of observations. The relatively high number of countries in default during the late 1980s and 1990s declined strongly in the 2000s and 2010s. However, an upward trend has been evident since 2022.

Annual default rates and averages by ten-year periods



Key Findings: Recovery Rates

Based on 46 default events in 30 countries, GEMs finds an average recovery rate on loans to sovereign and sovereign-guaranteed entities to be 95.1%

Average recovery rate

Unique countries	Default events	Average recovery rate	Minimum observation	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile	Maximum observation
30	46	95.1%	47.1%	88.5%	95.6%	98.1%	99.8%	100.0%	100.0%

The full GEMs publication, Default and Recovery Statistics - Sovereign and Sovereign-Guaranteed Lending 1984-2024, is available at <https://www.gemsriskdatabase.org/> and includes brand new statistics highlighting recovery rates by year of default.

