

The International Bank for Reconstruction and Development (IBRD) joins the Global Emerging Markets (GEMs) Risk Database Consortium

During the World Bank-IMF Spring Meetings in Washington, DC, on April 20, Werner Hoyer, President of the European Investment Bank (EIB), acting on behalf of the *Global Emerging Markets (GEMs) Risk Database Consortium*, and Joaquim Levy the Managing Director and Chief Financial Officer of the World Bank signed a membership agreement, making the IBRD the nineteenth member of the Consortium. The two institutions were also represented by the Co-Chairs of the Consortium, Alain Godard, EIB's Director General and Chief Risk Officer and Lakshmi Shyam-Sunder, Vice President and World Bank Group Chief Risk Officer. The signed membership agreement marks an important moment in the nine-year history of GEMs as an initiative of the development community to address a data gap by pooling data into a comprehensive credit risk database.

Mr. Hoyer said: *"GEMs is the jewel of the international development banking community. GEMs has created a unique partnership among International Finance Institutions and I'm convinced that the participation of IBRD, as part of the World Bank Group, will further strengthen our cooperation to achieve the objectives set by the United Nations (UN) in the field of the sustainable development goals (SDGs), by the Paris Agreement on climate change and in our fight against poverty and the root causes of the migration crisis"*.

Joaquim Levy added: *"GEMs fulfills a vital role in overcoming informational hurdles. High-quality data must be readily available, accessible and standardized for an adequate assessment of risks to spur cross-border investment in EMDEs. I am very happy that IBRD is joining the consortium."*

Alain Godard one of the co-founders and co-chairs of this consortium stated: *"This agreement is a big step towards the further development of GEMs as a tool for deeper collaboration and exchange between International Finance Institutions. GEMs is instrumental in our joint effort to mobilize private sector in the financing of projects in the emerging and developing partner countries"*.

Lakshmi Shyam-Sunder, co-chair of this consortium who co-founded this with the first contributions of data from the International Finance Corporation (IFC), also a member of the World Bank Group, stated: *"It was great to see the growth and interest in this IFI collaboration over the last nine years with 19 members and even more importantly, the recognition of its value to the broader investment community"*.

GEMs was established in 2009 as a joint effort between the European Investment Bank (EIB) and the International Finance Corporation (IFC) of the

World Bank Group in 2009 to pool credit performance data of project lending into a comprehensive database, which would allow participants to enhance their credit risk analysis through benchmarking and greater data coverage. As of the end of December 2016 the GEMs database reports around 8,300 counterparts, 1,700 default events and 1,900 resolved contracts making it the world's largest default and loss database for the emerging markets business of IFIs.

Over the years, GEMs has helped strengthen the collaboration of IFIs in supporting common challenges in maximizing finance for development in achieving the Sustainable Development Goals (SDGs), the Paris Agreement on climate change (COP 21), and the Infrastructure Action Plan. Recent policy initiatives have stressed the need for MDBs to partner, leverage the strength of their balance sheets and to crowd in private sector capital – doing this effectively depends on high-quality information about credit performance as MDBs create markets where commercial solutions alone are not viable.

EIB is managing the GEMs consortium operations through a dedicated team in its Risk Management Directorate. For further information on GEMs, please see <http://www.gems-riskdatabase.org/>.