SME Finance Market Creation Community of Practice

Online meeting, 28 April 2026

Meeting Minutes

Participants

1. Argidius Foundation (Co-chair)
2. FMO Entrepreneurial Development Bank (Co-chair)
3. European Bank for Reconstruction and Development (EBRD)
4. Growth Firm Alliance (GFA)
5. International Labor Organization (ILO)
6. International Trade Centre (ITC)
7. Japanese International Cooperation Agency (JICA)
8. Luxembourg Agency for Development Cooperation (LuxDev)
9. Proparco
10. Swedish International Development Cooperation Agency (Sida)
11. United Nations Capital Development Fund (UNCDF)
12. United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

DCED Secretariat: Harald Bekkers, Melina Heinrich-Fernandez

Agenda

1. Welcome
2. Discussion on potential work items for the DCED Work Plan 2026/27
3. Next steps, action points and closing

1. Welcome

This was the second meeting of the Community of Practice which was officially formed in June 2025 at the DCED Annual Meeting. The purpose of this meeting was to identify cuss potential work items for the DCED Work Plan 2026/27.

2. Discussion on Potential Work Items

Argidius Foundation suggested to undertake an update to the DCED Business Development Services (BDS) Guidelines. These were published in 2001, and while they are still relevant in terms introducing the concept of donors operating 'indirectly' as facilitators instead of providing direct support to SMEs, in terms of good practices for promoting BDS they are by now out of date. BDS can play an important role in making SMEs 'bankable' or investment-ready and are, therefore, relevant for market creation.

FMO suggested to develop a market creation primer. This primer can serve two purposes. First, it should explain the elements of a systemic approach to market creation. There is agreement on the fact that market creation requires concerted efforts involving Development Financial Institutions (DFIs), banks, non-bank

financial institutions, and BDS providers as well as initiatives to drive regulatory reform. It is useful to map out who can do what so that financiers and donors (and donor-funded PSD/MSD projects) can better understand how they can collaborate. Secondly, a primer can help explain PSD/MSD concepts and terminology financiers and vice versa.

ITC notes that both suggestions are important. It wants to support the development of the Market Creation Primer. It also notes that in terms of BDS reports have been written about the best delivery models. It would be important to take these into account.

JICA notes that it actively supports start-up ecosystems and therefore wants to back both suggestions. It also poses the question how to define the boundaries of a systemic market creation approach given the diversity of actors and financial instruments involved.

Secretariat notes bounding and coherence as important features of any systemic development effort. A finance system analysis will help demonstrate how boundaries can be drawn in a specific context.

Proparco and **LuxDev** express support for all suggestions.

UNCDF suggests that work items should include monitoring aspect, as finance and PSD measure impact in different ways.

3. Next steps, action items and closing

The following next steps were discussed in the course of the meeting:

1. **Secretariat**: will provide the meeting Minutes.
2. **Secretariat:** will seek approval for two or three work items in the DCED Work Plan for 2026/27: Updated BDS Guidelines, the Market Creation Primer and a 'demonstration' finance system diagnostic (country tbd).
3. **Secretariat:** will write a new preface to the 2001 BDS Guidelines.
4. **Secretariat:** will develop draft Tors for these work items once approved at the 2026 Annual Meeting.
5. **Next meeting:** In person, at the combined DCED Global Seminar and Annual Meeting in Nairobi.