

6. The classification adopted in the National Policy on Micro, Small and Medium Enterprises is as shown in the table below:

**Classification adopted by National Policy on SMEs:**

	SIZE CATEGORY	EMPLOYMENT	ASSETS (n MILLION) (excluding land and buildings)
1	Micro enterprises	Less than 10	Less than 5
2	Small enterprises	10-49	5 – less than 50
3	Medium enterprises	50-199	50 – less than 500

For the purpose of this guideline the employment-based classification for medium enterprises will be adopted. Therefore, SMEs will be defined as enterprises employing less than 200 persons.

**7. COMMON BARRIERS TO THE PARTICIPATION OF SMES IN PUBLIC PROCUREMENT AND APPLICABLE SOLUTIONS**

The table below contains the most common obstacles faced by SMEs in the procurement process and approved solutions on how they should be overcome.

OBSTACLES AND PROBLEMS	SOLUTIONS
Value of contracts too high for SMEs to participate due to inability of SMEs to meet financial (cash flow, average turnover) and similar experience requirements	<ul style="list-style-type: none"> <li>• Procuring Entities should breakdown a package into lots in quantitative and qualitative terms</li> <li>• The financial qualification criteria should be relaxed and should be the required minimum for the estimated value of the contract being bided.</li> <li>• SMEs should be encouraged/allowed to participate as joint ventures and/or as subcontractors, even in other larger contracts, in order to enhance their capacity;</li> </ul>
Tight deadlines for preparation of bids.	<ul style="list-style-type: none"> <li>• PEs should increase the deadlines for the submission of bids especially for complex contracts to between 4-6weeks</li> </ul>