

Guidance Note: Validation

The process of validating findings and results is essential to any assessment of national procurement systems.

This note introduces the concept and the value of validation and its importance to the assessment process, and provides operational guidance on how validation may be carried out.

Developed within the framework of the OECD-DAC Methodology for Assessment of National Procurement Systems, the note is based on best practices and lessons learnt from the 2007 field testing by the pilot countries of the OECD-DAC Joint Venture for Procurement as well as overall governance considerations.

What is validation?

In the assessment of national procurement systems, validation is the process of checking the validity, accuracy and credibility of the assessment results generated. Usually this process is a self-assessment and will involve the major stakeholders to the procurement system.

Validation forms an integrated part of the procurement assessment cycle, taking place subsequent to the data collection, analysis and reporting, and forming a necessary precondition to finalising and utilising the assessment results.

Why is validation important?

Validation is critical to the assessment of procurement systems for several reasons:

- **Credibility of results:** If conducted in a transparent and open manner, the validation process provides stakeholders with a key opportunity to critically review and comment on the assessment results and the process followed, confirm findings and correct misunderstandings and misinterpretations, and provide additional information which may serve to nuance the assessment findings. By doing so, stakeholders contribute importantly to ensuring that the assessment results are perceived as credible and evidence-based by all stakeholders. This is important to the further procurement reform process, as reform priorities are likely to rely heavily on the assessment results. Invalid findings may in this regard result in inappropriate and ineffective reform initiatives.
- **Stakeholder commitment and engagement:** Stakeholder buy-in to the assessment process and to the results does not only ensure a common understanding of the main challenges to the procurement system, but also can generate commitment to and support for national ownership of the long-term procurement reform process. By doing so, the validation process becomes an important tool for building a coalition for change under the leadership of the partner government.
- **Mutual accountability:** Finally, by presenting areas of progress and concern, and proposing follow-up actions, validation is also a means for the government to prove its accountability towards its constituencies and the public at large. In other words, the validation process provides the government with an opportunity to demonstrate to development partners and the private sector its commitment to a

transparent, rigorous and fair procurement system and to its own citizens its commitment to delivering value for money in government services and programs.

Which stakeholders to involve in validation?

The credibility of the validation process depends crucially on the involvement of all major stakeholders to the procurement reform process, i.e. the countries, organisations and individuals affected by reform outcomes.

The actual stakeholders selected for validation will vary from country to country. However, some of the most common stakeholders to the procurement reform process include:

- Procuring entities (e.g. line ministries, local government authorities, parastatals, etc.)
- Oversight authorities (e.g. Ombudsman, audit authorities, review authorities, and anti-corruption authorities)
- Public authorities with responsibilities linking to those of the public procurement authority (e.g. Ministry of Finance, Ministry of Justice, government HR function)
- Parliamentary Committees (e.g. Financial Committee)
- Civil society, including academics, NGOs and media
- The private sector (e.g. private sector associations, the Chamber of Commerce, representatives of contractors, suppliers and service providers, foreign investors, etc.)
- Procurement training institutions
- The international development partner community

In any country, the composition of stakeholders included in the validation process should reflect the specific situation of the country. In countries where the major procuring entities have taken on an active role in reforming procurement, for example, the involvement of these key drivers in the validation process is important to the further success of reforms. Similarly, a broad range of donors should take part in the validation in countries where procurement reform is extensively supported by international donors, and foreign investors should be involved in the validation process in countries largely dependent on foreign investments.

It may sometimes also be necessary to compensate for the absence of certain stakeholders. If a country has few or very weak private sector associations, for example, it may be necessary to invite strong representatives of both large firms and SMEs to sufficiently shed light on the potential barriers of the private sector to accessing the public procurement market.

Finally, the legislative level (such as Parliamentary Committees) is often overlooked in the validation process. The involvement of this level is likely to carry huge benefits in the reform process, as it promotes an understanding of the importance of procurement reforms and creates ownership of the reform process amongst elected legislators.

How to carry out validation?

Validation may be carried out in a variety of fashions. The validation method(s) considered suitable in one country setting may not be feasible in other settings.

Depending on the stakeholders selected, the previous level of stakeholder involvement in the assessment process, and the knowledge of the stakeholder groups, methods such as the following may be applied:

- Stakeholder validation workshops
- Public hearings
- Press conferences
- Meetings of development partners

Applying validation methods only involving one or a few stakeholder group may in some cases be advantageous, e.g. at the level of civil society and the media which often do not have the specialised knowledge to go in details with the assessment results, but still should comment on the general assessment trends. Similarly, the donor community often likes to take a strategic approach to the results rather than going in-depth on each indicator – an approach that may on the other hand be interesting to procuring entities. When applying validation methods targeting few stakeholder groups, however, these should be complemented by other validation initiatives together ensuring a certain breadth in the stakeholders involved.

Another common pitfall in the validation process is to fail to distinguish between information and validation. This is particularly the case if the validation process is not carefully contemplated and planned. The experience from the pilot testing show that certain arrangements may help to facilitate active validation of the assessment:

- **Disseminate assessment results in advance:** It is recommended that the draft assessment results are made available to all involved stakeholders preceding the validation meetings. By doing so, all stakeholders are given the opportunity to prepare well for the validation, and less time will be required for presentation of the assessment results on the meetings.
- **Prepare stakeholders for the validation:** It is also recommended that all stakeholders are properly informed about the objective of the validation, and the expectations to the stakeholders in this process. This may for example be done in the invitation sent out to all stakeholders together with the meeting agenda. This knowledge will help stakeholders prepare for the validation, and may also stimulate their interest in taking part in the process.
- **Consider specific stakeholder needs:** When deciding on the format of the validation process, it may be worth considering the specific needs of different stakeholder groups in this process. This is in particular the case if the validation is conducted as one joint validation workshop for all stakeholders. In this situation, some stakeholder groups – such as NGOs, donors and private sector organisations – tend to be more experienced in voicing their opinions than others – e.g. procuring entities. If not managed properly, this may cause an imbalance in the views voiced in the validation process. To avoid this, it is recommended that special attention is given to ensuring inputs from all stakeholders. This may for example be by dividing different stakeholder groups into separate working groups each presenting their own findings during the validation.
- **Stimulate an open discussion environment:** Equally important is to be aware of how the procurement regulatory body is perceived by stakeholders in the validation. To facilitate an open and unconstrained discussion environment, the organiser should endeavour to actively encourage dialogue and discussion, be receptive to points made by stakeholders, take notes, continuously take stock of the points made, and ask clarifying questions. Depending on the environment and the

type of stakeholders present during validation, it may also be advisable that representatives from the regulatory body does not to interfere during group discussions, hence leaving it to the groups to discuss on equal terms.

What to do about disagreements and disputes that arise?

As a result of the large number of stakeholders involved in the validation, this process is also the one single step in the assessment process most likely to involve disagreements and disputes.

While it may not always be possible to arrive at an agreement, it remains essential to the future credibility of the reform process that disagreements or disputes encountered are handled in a professional, fair and transparent manner. To ensure this, it is recommended that:

- All disagreements and disputes are discussed thoroughly by the involved stakeholders when they arise during validation. At this stage, the role of the procurement regulatory body conducting the assessment is to obtain as much information as possible from the parties about the cause of the conflict or the disagreement, in order to be able to address it fully at a later stage.
- It should be acknowledged that the final decision on any disagreement or dispute rests with the regulatory body, which must use professional judgment to balance the views of the various stakeholder groups in arriving at a decision. At the same time, the regulatory body will often find itself in a situation where this professional judgment needs to be balanced with political considerations. In both cases, it is essential that the decision made is fully and publicly justified by the regulatory body.
- When a decision is made, all stakeholders should be informed, and the grounds for arriving at the decision should be clearly stated. This may be done at a meeting between all involved stakeholders, or in writing, depending on the nature of the conflict or disagreement.

After the validation: The way forward

Following the validation, all stakeholder inputs received will be reviewed and discussed systematically by the assessment team, who will adjust the assessment results and the final report accordingly. Stakeholders should be made aware of the final assessment report and how the government has used – or not used – their input. It would also be helpful to maintaining a constructive, ongoing relationship if stakeholders are given some indication why their input has not been used.

The final report and the recommendations for future reform priorities should be shared with all stakeholders in a public place, in the media and / or on the government's internet site.

It is recommended that the government establishes and publicises its intention to consult with interested stakeholders and to receive on an ongoing basis comments, questions and suggestions from stakeholders and the general public.