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Reducing Reliance on Consultants?

A critical evaluation of the European Commission's DG REFORM as a public-sector alternative to the privatisation of policy capacities

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Finally, I would like to include a brief methodological acknowledgement that is not often mentioned. Although this thesis will showcase the value of the findings that come from case study analysis, the difficulty in acquiring data significantly complicates academic research. It took three months and multiple iterations to achieve the correct contract data, and 126 emails were sent and 122 (attempted) calls were made to organise six interviews. The investigative efforts needed to reach the right people and documents could almost be described as 'investigative academia', and this thesis, in that sense, would also like to acknowledge the efforts of scholars that have previously conducted consultancy case study research, often more elaborately than in this thesis (for example, Jupe and Funnell, 2015; Marciano, 2024; Raudla, 2013; Ylönen and Kuusela, 2019).

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CEE: Central and Eastern Europe

Commission: European Commission

DG REFORM: Directorate-General for Structural Reform Support

ECA: European Court of Auditors

EU: European Union

FEACO: European Federation of Management Consultancies Associations

FTS: Financial Transparency System

IM: indirect management

KPI: key performance indicator

NPM: New Public Management

PR: policy recommendation

SMEs: small and medium-sized enterprises

TED: Tenders Electronic Daily platform

Why Should I Read this Research?

As governments around the world are increasingly reliant on the external support of private-sector consultants, both scholars and journalists warn that national bureaucracies are losing the internal capacity to formulate, implement, and evaluate policies independently. Catalysed by the rise of New Public Management (NPM) in the 1980s and 90s, consultancy firms are now considered central stakeholders throughout the public sector, assisting core policy-making work and overseeing largescale bureaucratic reforms. Although academic research on their influence has greatly expanded in the last two decades, many jurisdictions, policy areas, research avenues, and methodologies remain underexplored and would benefit from further empirical analysis in order to create a comprehensive image of the impact of consultants on the privatisation of policy capacities.

This thesis, specifically, addresses three critical scholarly gaps. Firstly and secondly, consultancy research has not yet systematically analysed the role of private advisors within the European Commission, nor has it extensively explored their influence on climate policy. Thirdly, where studies have primarily dedicated their attention to capturing the extent of consultancy hiring or evaluating its downsides, contributions, which lay out how to overcome bureaucratic dependence on consultants, remain limited. Consequently, by focusing on the Commission's Directorate-General for Structural Reform Support (DG REFORM), a potential public-sector alternative to the procurement of private advice, and by conducting case-study analysis on its environmental reform support projects, this thesis investigates to what extent DG REFORM is able to provide a solution to academic concerns of Member States' increasing consultancy usage. It does so through the proposition of an evaluation framework that captures:

(1) how DG REFORM's political and legislative framework opposes consultancy hiring
(2) to what extent their financial data illustrates minimal use of private consultants
(3) whether consultants, when they are hired, are sufficiently enforced to contribute to the 'publification' – the opposite of privatisation – of policy capacities

Although applied to DG REFORM in this case, this study contributes a framework that can be used for evaluations across the public sector. Importantly, it assesses DG REFORM's alignment with the aforementioned criteria through a diverse triangulation of data sources, including public communications and regulations, financial and procurement data, disclosed contracts, semi-structured interviews, and a group interview with DG REFORM. Moreover, the thesis reflects upon the empirical lessons learned to provide twelve concrete policy recommendations the Commission to improve their contribution to the publification of policy capacities, whether in the EU or in national bureaucracies. As such, by zooming in on EU (climate) consultancy usage, by proposing an innovative evaluation framework to assess potentially successful public-sector alternatives to hiring private advisors, by triangulating a wide variety of data sources and methods, and by proposing concrete policy recommendations to the European Commission, this thesis aims to contribute to academic discussions on the ways in which the privatisation of policy capacities to external consultants can be reversed.

1. Introduction

On March 16th, 2022, the French Senate released its enquiry on the 'increasing influence of private consultants in public policy' (Bazin and Assassi, 2022). It revealed that the Government, under Emmanuel Macron, had spent over EUR 2.4 billion on consultancy firms between 2018 and 2021, expressing particular concern about the extensive use of private advisors during the COVID-19 pandemic (Braun, 2022). It also criticised McKinsey, specifically, for its failure to pay corporate tax in France (FRANCE 24, 2022), a scandal aggravated by the personal relationship between Macron and the company's French public sector practice (Carton, 2024). Other European countries have also received criticism for their reliance on consultants, including Italy (Michalopoulos, 2021), Greece (Stamatoukou, 2026), the Netherlands (Sneller and Groen, 2023), Ireland (Osborne, 2025), and Germany, notably within Ursula von der Leyen's Ministry of Defence (Johnson, 2019).

The growing public dissatisfaction with governmental consultancy usage has been matched by a similarly burgeoning scholarship on the matter. Where initial critiques emerged in the 1970s (Guttman and Willner, 1976; Meredith and Martin, 1970), and although studies have long been and are still somewhat limited to Anglophone countries (Van den Berg, 2017, p.64), the last two decades have seen an exponential rise in consultancy literature across an increasingly wider variety of countries (Howlett and Migone, 2013; Keele, 2019; Marchevska and Fobé, 2025; Marciano, 2024; Saint-Martin, 2012; Vogelpohl et al., 2022). Scholars often highlight two main concerns about governments' growing use of consultants: its contribution to the erosion of the public sector's capacity to tackle societal challenges without needing the help of private companies (Collington, 2025; Head, 2024; Hurl and Vogelpohl, 2021; Kirkpatrick et al., 2023; Ylönen and Kuusela, 2019) and its negative impact on the transparency of public policy processes and democratic accountability of elected officials (Jupe and Funnell, 2015; Saint-Martin, 2004; Seabrooke and Sending, 2022; Sturdy, 2021; Ylönen and Kuusela, 2025). This thesis will focus on the first concern, demonstrating how the procurement of and subsequent engagement with consultancy firms influences the extent to which policy capacities flow away from, remain in, or move towards the public sector.

Although recent studies have extensively reflected upon the aforementioned critiques, two key gaps in the literature stand out that this thesis aims to address. Firstly, although the consultancy usage of numerous EU Member States has received academic attention (Marchevska and Fobé, 2025; Saint-Martin, 1998; Van den Berg, 2017), critical research on the EU's consultancy hiring remains largely unexplored. As Bruce Ross (2015, p.134) states, in the EU context, 'we only find mention of consultants when grouped together with a range of other actors described as 'lobbyists' or interest groups'', such as in the work of Christian Lahusen (2003, 2002). Two exceptions were found: Năstase and Radulova (2025) discuss the Commission's reasons for involving consultants in open consultations during the Juncker administration (2014-2019), and Seabrooke and Sending (2020) interview a civil servant within the European Investment Bank as part of a larger study on intergovernmental organisations. However, with neither conducting systematic analysis of the work that consultants perform for the European

Commission, and with Ross (2015) only presenting an autobiographical narrative of his and his colleague's consultancy work in the EU, in-depth empirical investigation is much needed.

The EU's extensive consultancy consumption adds to this necessity. Reviewing data from the Commission's Financial Transparency System (FTS), the European Court of Auditors (ECA) (2022) found that, between 2017 and 2020, the Commission had procured around EUR 3.7 billion of the following four consulting services: general consultancy work, studies, evaluations, and research. FTS data currently indicates that, between 2021 and 2024, a further 9,395 contracts have been procured, worth EUR 5 billion, of which 96% (EUR 4.8 billion) have been signed with private companies. Given that the ECA (2022, p.36-41) also noted numerous transparency concerns with regard to the Commission's reporting on its consultancy use, for example not clarifying what specific types of advisory projects fall within the category 'general consultancy work', it is high time that consultancy literature dedicates empirical attention to the EU.

The second key gap that this thesis engages with relates to the overall focus that consultancy studies have had as of right now. Where existing scholarship often aims to measure the extent of bureaucracies' consultancy usage or critically reflect upon its downsides, literature on how to overcome consulting-reliance is still very limited, according to Raudla et al.'s (2026, p.157) stocktake of the field. The authors do highlight three key suggestions that scholars have touched upon in order to tackle governmental dependence on consultants: (1) the improvement of commissioning processes; (2) the improvement of knowledge transfers from private to public sector; and (3) the implementation of public-sector alternatives to private consultancy hiring.

The latter proposal, also presented by Kirkpatrick et al. (2023, p.547), Mazzucato and Collington (2023), and Sturdy et al. (2022, p.503), is of particular interest to this thesis, because the Directorate-General for Structural Reform Support (DG REFORM), within the European Commission, could be considered as such a public-sector alternative. It operated during the Von der Leyen I administration (2020-2024), and, according to its management plan:

> *'provides Member States with technical support to prepare and implement growth-enhancing institutional and administrative reforms. This technical support helps Member States build more effective institutions, stronger governance frameworks and efficient public administrations'* (DG REFORM, 2021a, p.3).

DG REFORM executes this support on demand-driven basis. Member States ask for advice by applying for the Technical Support Instrument (TSI), DG REFORM's funding mechanism, after which the DG states that it provides advice to the Member States whose projects it selects. Crucially, this is still a form of externalisation, since tasks are not completed within the government anymore. However, given that the support is provided by a public institution, DG REFORM still showcases great potential as a public-sector alternative to the privatisation of policy advice, expertise, and capacities. The absence of consultancy-related academic research on this organisation warrants a comprehensive examination that employs the following **central research question**:

To what extent does DG REFORM's technical support successfully counter the privatisation of policy capacities to external consultants?

It is key to mention that DG REFORM has not publicly stated that it wants to counter governmental consultancy-usage. In fact, and crucially, in its founding document, it explains that, beyond internal expertise and public-sector organisations, it would also rely on the support of private companies (DG REFORM, 2020, p.6). However, the fact that a public-sector support provider to Member State bureaucracies itself uses private consultants at times makes it an even more interesting focus of analysis. Moreover, beyond providing empirical data on this academically unexplored organisation, this thesis also aims to contribute an analytical evaluation framework to the literature for how one can assess whether an organisation presents a successful alternative to the privatisation of policy advice. As such, DG REFORM is the case study of this thesis, but the framework can be applied to other organisations as well.

In discovering the extent to which DG REFORM counters capacity-privatisation, the following three criteria (C1, C2, and C3) structure the evaluation.

C1 : DG REFORM's political and legislative framework opposes the privatisation of policy capacities.

C2: DG REFORM sources its expertise primarily from public-sector organisations.

C3: When DG REFORM does hire private consultants on projects, it actively promotes the 'publification' of policy capacities.

The subsequent literature review will justify each criterion and state the specific questions that need to be answered in order to comprehensively assess DG REFORM's contribution to the privatisation or 'publification' – the opposite in this context – of policy capacities. Afterwards, the methodology will outline how this thesis aims to answer the research questions that underpin each criterion and, ultimately, answer the critical research question of this study. Importantly, the opaque nature of this field warrants an innovative mixed-methods approach, dubbed 'investigate academia', that triangulates a wide variety of data sources and adjusts its empirical strategy to each specific research question. Information used for the purpose of this thesis includes yearly strategy, management, and financial plans; internal policy evaluations; regulations and legislation; FTS procurement data; framework documents on the Tenders Electronic Daily (TED) platform; requested contracts for seven case studies; interviews with the beneficiary authorities (i.e. Member States) of these case studies; and a group interview with DG REFORM civil servants. As such, the methodology proposed by this thesis also aims to contribute to a discipline plagued by empirical constraints.

Afterwards, three chapters will consecutively assess each evaluated criterion. Through content and legal analysis, the first one showcases that DG REFORM's political objectives largely promote the public sourcing of policy expertise, but that its regulatory framework provides ample scope for the procurement of private consultants. The second chapter seeks to demonstrate, through financial analysis of DG REFORM's procurement between 2021 and 2023, that the Commission spent at least EUR 79 million on private consultants in this period, although its yearly tendency to hire consultancy firms for projects did decrease from 50% in 2021 to 34% in 2023. Finally, case-study analysis illustrates that, specifically for environmental reforms, consultants are considered the most economically advantageous delivery partner by DG REFORM, taking part in core political tasks like legislation drafting, and that capacity-building is embedded in their contracts but not always executed successfully.

At the end, the conclusions will summarise the findings of this thesis and provide both policy recommendations to DG REFORM and avenues for further research within the discipline, partially based on the limitations of this study. Overall, DG REFORM demonstrates great ambition to advance the policy capacities of EU Member States, but the execution of this ambition leaves multiple key gaps that would benefit from adjustment for the organisation to be considered a successful counter-effort against the privatisation of policy capacities.

2. A Literature-Based Evaluation Framework

The following three sections will employ the rapidly expanding scholarship on governmental consultancy usage to justify each criterion and its underlying research questions. As such, it builds an analytical framework to evaluate the extent to which an organisation successfully counters the privatisation of policy capacities to consultants.

2.1 A political and legislative framework shaped by New Public Management (C1)

The 1980s and 90s saw the rise of neoliberalism, an economic stream of thought that argued for market freedom as fundamental to the efficient and optimal allocation of resources, claiming that deregulation and the shrinking of government were needed for economic and social prosperity (Collington and Mazzucato, 2024, p.1139). Under the umbrella of neoliberalism, New Public Management (NPM) emerged as a response to Western governments' previous Weberian public administration model (Pollitt et al., 2007, p.1), which put in place large-scale, top-down bureaucracies that prioritised hierarchy and the "faithful execution" of laws (Pfiffner, 2004, p.447). Critics argued that this approach caused governments to be too inefficient and ineffective (Araral et al., 2013, p.340), as bureaucracy was labelled "responsible for most of the troubles of our time" (Du Gay, 2000, p.1).

In response, albeit varying somewhat across jurisdictions, the NPM doctrine generally proposed the following seven reforms (Hood, 1991, p.4-5):

(1) Manage teams hands-on (ensure accountability of results over assigned work)

(2) Come up with explicit standards and measures of performance

(3) Place greater emphasis on output (make it the key variable of interest)

(4) Build working units around products instead of large departments

(5) Create competition in the public sector (use term contracts and procurement tenders)

(6) Implement private-sector management styles

(7) Ensure discipline and frugality in the use of resources

NPM posited that the public sector should learn from and be designed more like the private sector (Cairney, 2020, p.8), prioritising results over processes (Mathiasen, 1999, p.93) and ensuring the quality of public services through output measurements instead of strict protocols (Pfiffner, 2004, p.449): we know hospital X is performing well since it has admitted, attended, and discharged Y number of patients. As NPM became more popular in the late 1980s, large-scale bureaucratic reforms were implemented across initially Anglophone, Benelux, and Nordic countries (Diefenbach, 2009, p.896; Seabrooke and Sending, 2022, p.458). Thanks to the decades of prior experience consultants had accumulated with private-sector clients, they were deemed as the ideal experts to teach governments how to become more like the private sector (Bortz, 2026, p.228; Hay, 2007, p.95).

Therefore, although the usage of consultants by both companies and governments had already been prevalent prior (Saint-Martin, 2012, p.450-451), especially in Anglo-American countries (Saint-Martin, 2017, p.297-299), consultancy literature considers NPM, and the neoliberal private-is-best zeitgeist that surrounded it, as the main catalyst for the subsequent exponential growth in government consultancy hiring (for example Kipping, 2021; Marciano, 2023; Saint-Martin, 1998, 2012; Seabrooke and Sending, 2022; Steiner et al., 2018; Ylönen and Kuusela, 2019). Functioning as an 'epistemic community'[1] that shares the ambition and skills to make the public sector more like the private sector (Christensen, 2005, p.462; Lapsley and Oldfield, 2001, p.540), consultants across liberal democracies were first hired to help governments become more efficient, after which they increasingly started to take up direct policy advisory roles that were previously taken up by internal bureaucrats, interest representatives, or public bodies (Bortz, 2026, p.228; Van den Berg, 2017, p.67).

NPM did not come without its criticism, as commentators argued that it disregarded the ethical values of the public sector (Lapuente and Van De Walle, 2020, p.471) and prioritised short-term efficiency over long-term societal wellbeing (Mathiasen, 1999, p.96). As such, Western bureaucracies of the late 1990s onwards have aimed to find a middle way between traditional and neoliberal ideas, for example considering the private sector to be 'partners in governance' instead of authorities to blindly learn from, as per 'Third Way Politics' (Saint-Martin, 2012, p.452-453). Alternative subsequent bureaucratic models have also emerged, such as New Public Governance (Van Helden et al., 2026, p.191-192) or Public Value Theory (Collington and Mazzucato, 2024).

Although these models all differ from NPM in the sense that they do not see the private sector as superior to the public one, they have helped sustain, contribute to, or failed to remove the underlying principles of NPM that continue to inspire governments to hire external consultants (Van Helden et al., 2026, p.192; Ylönen and Kuusela, 2025, p.159; Zaman et al., 2026, p.164). Even in countries without strong NPM traditions at the time, such as post-communist Central and Eastern Europe (CEE), NPM has still created a "fertile ground for outsourcing to consultants" (Marchevska and Fobé, 2025, p.527). Consequently, in order for an organisation to provide a successful effort against the NPM-inspired privatisation of policy advice, it is, therefore, key that it positions its values in opposition with those that have brought us to the current situation of dependency on external consultants. Thus, **RQ1.1** is:

> *RQ1.1: How do DG REFORM's political mission and objectives line up against NPM principles?*

[1] Haas's (1992, p.3) seminal work describes epistemic communities as a "network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area". Private-sector consultants form one such community.

Beyond the political context of governmental consultancy hiring, the legislative framework that aims to regulate this very practice has also played an important role in embedding the principles of NPM. Hiring consultants falls under procurement legislation, because public procurement refers to public-sector organisations like the European Commission acquiring external goods and services, and as consultancy advice is such a service (Grandia, 2018, p.365).

As laid out by Zaman et al. (2026, p.164-167), procurement regulations of consultants can be categorised as either demand- or supply-side. Demand-side rules place restrictions and responsibilities on those hiring the consultants, namely the civil servants. These rules can range from excluding consultancy usage in certain sectors to obligating open and fair selection, more intensive monitoring, or transparent reporting. Criticism about their effectiveness (Guerin et al., 2018) has also led to a rise in supply-side measures. These place a responsibility upon consultancies to 'professionalise', i.e. strengthen their self-regulation measures in order to retain access to public projects. These can be subject to differing levels of government oversight, and they also warrant their concerns, for example in relation to the reduction in direct accountability (Zaman et al., 2026, p.170).

Moreover, Bortz et al. (2024, p.26-28) bring up a more foundational criticism of current procurement legislation. Although attempting to constrain NPM-inspired consultancy usage, its scope has remained largely transactional, for example focusing on Key Performance Indicators (KPIs) like value for money. These are private-sector methods of accountability now used in the public sector despite their (partial) inapplicability, further reinforcing NPM's impact on the rules that aim to regulate it. Namely, they miss out on the relational component of consultancy procurement that sees consultants and civil servants often build personal connections over many years. KPIs are not enough to comprehensively regulate such consultancy hiring. DG REFORM's position is unique here since it is both consultant and civil servant, advising Member States but also, sometimes, advised by external, private-sector consultants. Thus, **RQ1.2** is:

RQ1.2: What rules regulate DG REFORM's advisory services and consultancy?

2.2 The extensive yet varied governmental hiring of private consultants (C2)

The previous section already revealed broad scholarly consensus on the exponential growth of the public sector's consultancy usage in the last few decades. But how extensive has this growth been? And how has it spread over both countries and policy areas? It is, firstly, important to mention that exact numbers are difficult to pinpoint. Countries and research institutes measure and process data on public consultancy spending differently (Veselý, 2013, p.204), commercial and political sensitivities make the sector inherently opaque (Sturdy, 2018, p.78), and much of the commercial research that estimates the public sector consulting market size is behind pay walls and primarily based on a limited number of company surveys.

Nevertheless, the estimates that are publicly available do support the scholarly consensus of rising public consultancy spending. Although longitudinal data is missing on a global scale, the European Federation of Management Consultancies (FEACO) has provided a yearly overview of the European consulting market since 1998[2]. Leveraging these reports, as illustrated in *Figure 1*, shows that governmental hiring of consultants in Europe grew from EUR 2.25 billion in 1998 (converted from national currencies) to EUR 31.7 billion in 2024. As such, it multiplied by 14 times. Even when adjusting for inflation, the public-sector consulting market in Europe increased by eightfold from 1998 to 2024[3].

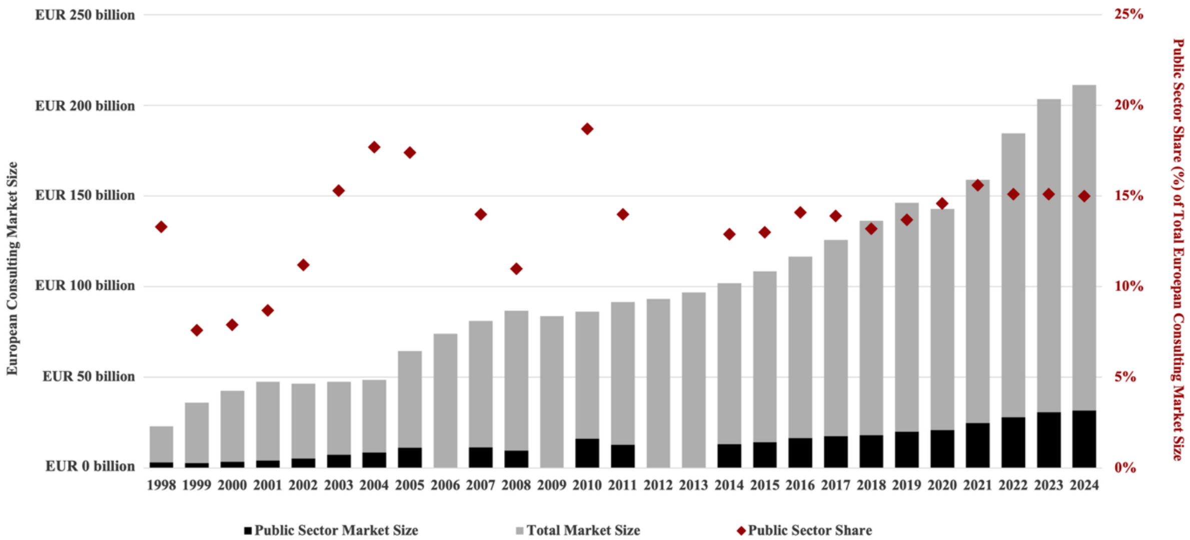

Figure 1: On the left axis the total European consulting market size and the component of it that comprises public sector consulting; on the right axis the market share of public sector consulting, with data missing for some years

As such, both FEACO's commercial research and scholarly literature (Howlett and Migone, 2013, p.242; Hurl and Vogelpohl, 2021, p.3; Marciano, 2023, p.574; Saint-Martin, 2012, p.450; Sturdy, 2021, p.321; Van Helden et al., 2026, p.192) align on the fact that public-sector organisations have greatly expanded their reliance on the advice of private-sector consultants. In order to analyse the extent to which DG REFORM presents a counter-effort against this privatisation of policy advice, it is, thus, important to investigate the DG's outsourcing habits. In case it significantly or increasingly relies on consultants, it becomes difficult to view DG REFORM as meeting Criterion 2, which requires the DG to primarily rely on public-sector expertise. Hence, **RQ2.1** is:

> *RQ2.1: What share of DG REFORM's projects are supported by public versus private expertise?*

However, the fact that general academic research and market estimates underline the growth of governmental consultancy usage does not mean that this phenomenon is equally shared by

[2] An overview of FEACO's annual reports can be accessed here: https://www.feaco.org/consulting-in-europe/annual-survey/.
[3] *Appendix A* explains how the author calculated the growth of the European public-sector consulting numbers through the use of FEACO reports.

countries or across sectors. Indeed, ample scholars recognise that the extent to which consultants are able to penetrate a public jurisdiction, whether in terms of geography or policy area, greatly depends on the receptiveness of that environment (Howlett and Migone, 2013, p.243; Hurl and Vogelpohl, 2021, p.17; Saint-Martin, 2012, p.449; Seabrooke and Sending, 2022, p.458).

Empirically, Steiner et al. (2018, p.483-484) point out a key separation between Anglo-Saxon (the UK and Ireland) and continental countries like France and Germany, as the former were more open to the governmental use of private-sector consultants. This is partly because of the overrepresentation of small and medium-sized enterprises (SMEs) in continental Europe and partially because regulations on accountants and consultants are stricter (Saint-Martin, 2017, p.295-296). However, not only did the Netherlands provide an exception to this rule, as it had the highest density of policy consultancy firms in the world at the end of the millennium (Rosenthal et al., 1996, p.111), but other countries also caught up.

By 2010, Germany's public sector consulting market reached an annual turnover of almost EUR 3 billion, with Spain standing at EUR 1.6 billion and France at EUR 1.3 billion (FEACO, 2011, p.21). Moreover, public consultancy usage is widely spread across Nordic countries (Weghmann and Sankey, 2022; Ylönen and Kuusela, 2019), and it is the most important sector in Greece's and Romania's management consultancy services, reaching 35% and 60%, respectively, of market share (FEACO, 2023, p.16). Interestingly, the rise in governmental consultancy usage in Greece, Romania, and other Central and Eastern European (CEE) Member States is considered to be mostly driven by the fact that the EU puts increasingly larger administrative demands on these countries, which they are not able to meet without help, thus leading to a need for external consulting support (Marchevska and Fobé, 2025, p.527; Zaharis and Huliaras, 2020, p.271).

Given that different factors encourage different EU Member States to source expertise externally, it is important to research whether DG REFORM's advisory services and own consultancy hiring mirror national trends. On the one hand, it may follow the fact that Germany, Spain, and France have had the largest public sector consultancy markets in absolute numbers. On the other hand, it may reflect the EU's personal impact on governmental consultancy usage in CEE Member States. Thus, **RQ2.2** is:

> *RQ2.2: How are DG REFORMS's advisory services and consulting usage geographically spread over the EU?*

Finally, where Marciano (2023, p.573) describes the increased use of consultants across many policy sectors, such as education, healthcare, climate adaptation, and urban development, Sturdy (2021, p.322) attributes much of this growth to e-government and international development agendas. Moreover, although Christensen and Collington (2026, p.222) and Keele (2021, p.56) view climate change policies as key drivers of consultancy demand, Vogelpohl et al. (2022, p.372) argue that the pandemic spurred largescale consultancy hiring. Consequently, it becomes interesting to investigate which sectors DG REFORM has been most involved in, and in which sectors its own consultancy hiring is the most prominent. Therefore, **RQ2.3** is:

> *RQ2.3: How are DG REFORMS's advisory services and consulting usage spread over different policy areas?*

2.3 The privatisation of policy advice and its impacts (C3)

As demonstrated, consultants are increasingly hired to support European public decision-makers. But for what purpose are they used, what role do they end up playing in public projects, and how does this impact public-sector policy capacities? As elaborated upon below, consultancy firms are often hired for one or multiple of the following three key reasons: (1) their perceived problem-solving expertise; (2) their ability to legitimise government policies; and (3) their personal relations with civil servants.

Firstly, consultancies' perceived problem-solving expertise stems from the decades of broad cross-continental experience they have accumulated in both public and private sector (Seabrooke and Sending, 2022, p.463). Not only are they seen as neutral and independent advisors, despite their market-orientation and profit-seeking intentions (Howlett and Migone, 2013, p.244; Marciano, 2024, p.52), but their ability to quickly access a large availability of staff and knowledge also makes them very attractive partners in crisis governance (Kirkpatrick et al., 2023, p.537; Vogelpohl et al., 2022, p.375). Moreover, through the establishment of think tanks in the late 20th Century and the subsequent continuous publication of reports, consultancies' have acquired thought leadership on societal issues like how to manage a public health crisis (Kipping, 2021, p.44; Saint-Martin, 2012, p.454; Vogelpohl et al., 2022, p.375), establishing themselves as a reputable epistemic community for policymakers to consult (Lapsley and Oldfield, 2001, p.525) and making them stand out as 'experts-for-hire' (Howlett et al., 2020, p.84). When policymakers are faced with pressure –for example in a crisis – and when they are under the impression that internal expertise is lacking, they gravitate towards the manner in which consultants can break seemingly wicked problems, i.e. very complex issues, into actionable chunks that can be feasibly operationalised and solved (Christensen and Collington, 2026, p.224; Collington, 2025, p.264; Douglas and Overmans, 2026, p.176; Keele, 2021, p.69; Raudla et al., 2026, p.153; Seabrooke and Sending, 2022, p.465).

Secondly, commentators have argued that this expertise-oriented explanation for consultancy hiring misses out on the potential political intentions of policymakers. Politicians or civil servants may already know what they want to do, but they need an external consultant in order to legitimise their proposal and make sure other stakeholders become aligned (Howlett and Migone, 2013, p.244; Jupe and Funnell, 2015, p.82; Raudla et al., 2026, p.151; Saint-Martin, 1998, p.11). In such situations, consultants function as particularly useful "hired guns" (Dollery and Drew, 2017, p.263), because their profit-seeking intentions make them more likely than civil servants to support the proposal (Arnold and Cooper, 1999, p.135), but they also enable them to appear as seemingly disinterested, thus objective experts (Guttman and Willner, 1976, p.19). Interestingly, analysing a 2007 survey of Dutch policymakers, Van den Berg et al. (2015, p.19) found that 30% used consultants for expertise, whereas 5% did it to gain political support.

Finally, scholarly literature (see Kipping, 2021, p.44; Saint-Martin, 2012, p.456; Sturdy, 2021, p.322; Vogelpohl et al., 2022, p.377) has often discussed the strong relations between consultants and civil servants that have enabled the former to gain access to projects. A key component of this connection is the ‘revolving door’ hypothesis, according to which job switching between consultancies and the government facilitates complex interpersonal networks that expand consultants’ access to policy-making spheres (Seabrooke and Sending, 2022, p.464–465). However, it is important to mention that evidence for this hypothesis is primarily anecdotal, requiring further systematic research (Hurl and Vogelpohl, 2021, p.6), and that countries, despite enforcement issues, are also increasingly regulating revolving doors (Silano, 2022).

Given the multitude of reasons for which Member States could have requested the support of DG REFORM, and for which DG REFORM could have, subsequently, hired consultants in its projects, it is key to research why this choice was made in the projects that this thesis focuses its case studies on. With this information, one can assess the key current gaps within Member States’ and DG REFORM’s capacities, forming the first part of Criterion 3. As such, **RQ3.1** is:

> *RQ3.1: Why did Member States and, subsequently, DG REFORM request a third party for support in the case studies investigated?*

Once on projects, consultants fulfil advisory tasks across every stage of the policy cycle (Vogelpohl et al., 2022, p.374), shaping policy agendas alongside civil servants (Linovski, 2019, p.1694), facilitating stakeholder consultation (Marciano, 2024, p.40), providing policy advice through cost-benefit or risk analyses (Van den Berg et al., 2015, p.23), supporting the formulation and implementation of policies (Jupe and Funnell, 2015, p.66), or evaluating them (Araral et al., 2013, p.434). Sometimes, they only play a marginal role (Seabrooke and Sending, 2022, p.459) and act as a temporary ‘recruiting agency’, ‘body shop’ (Bortz, 2026, p.228), or ‘firefighter’ (Craft and Howlett, 2013, p.194) when internal employee capacity lacks. Other times, however, they are deeply involved in strategic governance and crisis management (Vogelpohl et al., 2022, p.372), exerting such influence that scholars speak of an ‘invisible public service’ (Howlett and Migone, 2014, p.183), a ‘shadow government’ (Guttman and Willner, 1976, p19), or a ‘consultocracy’ (Ylönen and Kuusela, 2019, p.241). For example, McKinsey accumulated such importance in Saudi Arabia’s Ministry of Planning that the latter has been ironically referred to as the ‘Ministry of McKinsey’ (Raval and Hume, 2016).

Crucially, Saudi-Arabia is only an example, and the roles consultants take on strongly differ on a project-by-project basis. Hence, as the second part of Criterion 3, it is of interest to investigate what role consultants take on when hired by DG REFORM, and to what extent the European Commission ensures that the influence of consultants remains contained and scrutinised. As such, **RQ3.2** is:

RQ3.2: What roles and what influence did DG REFORM allow consultants to occupy in the case studies investigated?

Finally, when consultants are allowed to increasingly mark its influence on governmental projects, scholars have expressed concern about their impact on the independent governing capacity of the public sector and civil servants (Collington, 2025, p.265; Head, 2024, p.157; Marciano, 2023, p.574; Raudla et al., 2026, p.156; Ylönen and Kuusela, 2019, p.248-249). Although consultants might initially be leveraged in order to compensate for a lack of specific internal capabilities, their continuous usage can end up further reducing, as opposed to strengthening, internal competency (Howlett and Migone, 2013, p.224). As such, governmental consultancy usage becomes both cause and effect of the erosion of public sector competencies (Ylönen and Kuusela, 2025, p.161).

This process of capacity decline functions through a feedback loop. When consultants are used more often, they become more knowledgeable about the public sector, causing their advisory services to improve and their influence to expand (Raudla et al., 2026, p.157). Meanwhile, the civil service that initially executed these tasks (e.g. writing policy reports) is slowly 'forgetting' how to (Hurl and Vogelpohl, 2021, p.5), as tacit knowledge is disappearing from the public sector (Ylönen and Kuusela, 2019, p.249), and as civil servants are losing the motivation, professionalism, and accountability that they possessed prior (Tomo et al., 2026, p.7-8).

Sturdy et al. (2022, p.491) moves beyond this passive erosion of bureaucratic capacity, positing that consultants are actively overexaggerating public problems, over-promising the impact that they can have, and underdelivering in their solutions in order to keep civil servants continuously hooked on or addicted to private-sector consultancy advice. As Mazzucato (2023) puts it, "a therapist who has their client in therapy forever obviously is not a very good therapist". Consequently, the supposed downward spiral of bureaucratic capacity may have been kicked off by the ideological criticism that NPM expressed about civil servants (Ylönen and Kuusela, 2025, p.161), but it has been maintained and reinforced by the aforementioned feedback loops.

Interestingly, in countries that did not previously possess a highly professionalised bureaucratic system, such as in Central and Eastern Europe, the NPM-inspired usage of consultancy services has not led to this erosion of public sector capabilities. Instead, in the absence of effective knowledge-transferring systems, it has been preventing civil servants from building these competences in the first place, constraining the countries' ability to developed a highly professionalised public sector (Marchevska and Fobé, 2025, p.536). Consequently, in assessing the extent to which DG REFORM's projects actively promote the publification of policy capacities, it is crucial to investigate whether the Commission ensures that, even when consultants are hired, their involvement supports public-sector capacity-building, with knowledge and skills flowing from private to public sector. Thus, **RQ3.3** is:

RQ3.3: How did DG REFORM guarantee the capacity transfer from private consultants to the public sector in the case studies investigated?

3. Methodology

3.1 Empirical approach

This thesis employs a unique mixed-methods strategy that triangulates a wide variety of data sources and empirical methods in order to best tailor its approach to each specific criterion and underlying research question. It leverages publicly available reports on and documents from DG REFORM, relevant legislation and Commission guidelines, financial procurement data, disclosed procurement contracts, semi-structured interviews with beneficiary Member States, and a group interview with civil servants within the Commission. Subsequently, it conducts content (C1), legal (C1), financial (C2), and case-study (C3) analysis in order to provide a comprehensive critical evaluation of DG REFORM. Taking inspiration from the work of Franko and Lomell (2025) and Marciano (2024), the extent of data triangulation applied in this thesis is both necessary and academically valuable in order to overcome the opacity constraints of consultancy literature and shed a nuanced and accurate light on the advisory services and procurement practices of DG REFORM, a potentially successful alternative to the privatisation of policy capacities.

Before explaining the empirical approach for each criterion, it is important to elaborate upon two decisions that have been taken to narrow down the scope of the analysis. Firstly, Criterion 1 reviews relevant documents throughout DG REFORM's active period (2020 – 2024) in order to gather as much of the relatively little available data as possible. However, the financial analysis (Criterion 2) and case-study analysis (Criterion 3) only focus on the period of 2021 to 2023. The lower bound stems from the fact that the TSI programme, which funds the TSI and replaced a previous funding mechanism, only started in 2021. Consequently, to make the analysis as relevant as possible, 2020 projects are not taken into account. As for the upper bound, projects from 2024 were not taken into account, since the TSI mid-term evaluation, which plays a crucial part in explaining some of the results, only covers 2021 to 2023. Additionally, due to the time it takes for DG REFORM to gather data on the outcomes of each project and publish project reports on its website, this choice was made to ensure that as many projects analysed as possible had publicly available information provided about them.

The second scope-specification is that the analyses used to assess both Criterion 2 and Criterion 3 focuses only on standalone projects (i.e. in one Member State as opposed to multi-country) with one primary contractor. From an administrative perspective, this choice was made in agreement with the Commission in order to significantly lower the processing burden of the officials that had to collect approval from all involved stakeholders to release the contract deliverables. However, from an academic point of view, this focus is also interesting. Where multi-country projects inherently present a valuable opportunity for Member States to learn from each other, the value-add of DG REFORM in standalone projects is more questionable. Why were these projects not organised on a national scale? What did the European Commission, as opposed to national governments, contribute specifically? Although not discussed, it is important to remember that multi-country projects may provide a range of benefits not included in this thesis' evaluation. They deserve further academic attention.

C1: DG REFORM's political and legislative framework opposes the privatisation of policy capacities

Providing a comprehensive evaluation of DG REFORM's alignment with C1 required numerous different approaches. Two methods were employed to investigate the political framework, and one was used to research the legislative and regulatory context. Firstly, to research the political objectives of DG REFORM, its engagement with three NPM principles was observed: (1) the notion that the government needs to become leaner and more efficient; (2) the desire to learn from the private sector; and (3) the focus on results and outputs over proper processes of governance. For the first two components, this chapter analysed 25 public documents, comprising 998 pages in total: the Regulation creating the TSI, the strategic plan 2020-2024 of DG REFORM; four annual management plans of DG REFORM, four annual finance decisions of the TSI and each decision's separate annex, four annual TSI reports, four documents related to the TSI-midterm evaluation that covers 2021 to 2023; and three additional documents (a speech by DG REFORM in the European Parliament, a legacy report on DG REFORM; and a TSI Question & Answer webpage).

Using ATLAS.ti, quotations in these documents were manually coded as discussing (1) either the need for bureaucratic capacity or the need for bureaucratic efficiency; and (2) either the sourcing of internal expertise, or of public or private-sector expertise. This qualitative content analysis enabled the collection of 583 quotations in total. It analyses the frequency of each category but also goes into depth on why, when, and how, for example, bureaucratic efficiency is mentioned. It allows for a thorough understanding of the publicly communicated priorities of DG REFORM, but it cannot capture how its ambitions are manifested in practice. This is discussed in the other chapters.

For component (3) of the political objectives analysis, this thesis aimed to look at whether DG REFORM prioritised results and outputs over proper processes in the evaluation of its own work, notably the TSI mid-term evaluation. Crucially, but also somewhat ironically, the study was completed in collaboration with external consultants PPMI and CSES. However, as stated in Tool 45 of the Better Regulation Toolbox, evaluations of EU services require the involvement of the lead DG (European Commission, 2025, p.384), which means that DG REFORM is aligned with the criteria applied in this evaluation. Sixty judgement criteria were included, categorised in six central criteria: relevance; effectiveness; sustainability (i.e. long-term effectiveness); efficiency; coherence; and EU added value. As such, it follows the in 2019 updated OECD Better Criteria for Better Evaluation (OECD, 2019, p.3-4), also adding the component of EU added value to ensure that the projects should not be conducted through national support mechanisms. These criteria were coded as either prioritising processes or prioritising efficient outputs, as further explained in the empirical chapter.

Finally, the rules that regulate DG REFORM are two-fold: they apply to the DG's own provision of advice to Member States, hence supply-side, but also to its procurement of consultants, demand side. The legislative component of this chapter investigates (1) how DG REFORM is regulated as a supplier of expertise, (2) how strict its procurement of private consultants is regulated, and (3) to what extent its procurement regulations take into account the relations between consultants and civil servants. It conducts legal analysis of the following documents, pinpointing which Articles and Case Law conclusions impact DG REFORM's work: the Financial Regulation, the Vade-Mecum on Procurement within the Commission, the Better Regulation Toolbox, the Staff Regulations, and Case T-195/05 Deloitte Business Advisory NV vs Commission.

C2: DG REFORM sources its expertise primarily from public-sector organisations

The methodological approach for Criterion 2 is substantially more straightforward. It takes inspiration from Van den Berg (2017) and Ylönen and Kuusela (2019), who conduct financial analysis on governmental consultancy expenditure in the Netherlands and Finland, respectively, by reviewing how spending is divided over time and departments through financial accounts. Although this chapter performs financial analysis, researching spending differences over time and policy areas, its methodology differs in three ways. Firstly, and most importantly, the aforementioned studies take a top-down approach, assessing how much is spent on consultants through budget analysis in annual financial statements. Consequently, their analysis is unable to investigate consultancy hiring on a project-level. In response, this chapter takes a bottom-up approach. Using the country factsheets on DG REFORM's website, it created a data-base of all 475 standalone projects recorded between 2021 and 2023. It then matched these projects with procurement data on the FTS, allowing for project-level analysis of consultancy usage. This approach, uniquely possible due to the structure of DG REFORM, adds a level of depth to prior financial analysis.

Secondly, Van den Berg (2017, p.78) reviews differing consultancy spending across policy areas by looking at ministries' expenditures. Given that this thesis only assesses one DG, and in light of the unique project-oriented budget-implementation of DG REFORM, this chapter is able to code each project as fitting within a certain policy area. Largely mirroring the DG's own policy area differentiation, the following policy areas where chosen: environment, financial/fiscal, healthcare, education, digitalisation, economic, social, justice, security, and general administrative support. One key difference is that it divided the DG's migration policy area in such a way that it coded some projects as social and some as security. Finally, as DG REFORM supports EU Member States, this chapter added analysis on how this support, specifically when provided by consultants, is divided over countries.

As elaborated upon in the chapter, one key limitation of this approach is that DG REFORM's reporting does not allow for project-level differentiation of contract prizes when implemented through indirect management (IM), one of the four budget categories of the TSI. However, IM projects did still reveal who the delivery partner was on the country factsheets, meaning that it could be established that they were not executed by private consultants. Moreover, given the impossibility of tracing the contract or delivery partner of 61 projects in the database, more transparent reporting from the Commission's side is key to make this analysis truly comprehensive.

C3: When DG REFORM does hire private consultants on projects, it actively promotes the 'publification' of policy capacities

In order to discover why consultants were procured in the case studies analysed, what role they played, and how they impacted public-sector policy capacities, this chapter triangulates a diverse range of data sources in order to form an image of what is happening 'behind the scenes' during DG REFORM's projects. The empirical approach follows prior consultancy case-study research (Jupe and Funnell, 2015; Marciano, 2024; Raudla, 2013; Ylönen and Kuusela, 2019) by combining contracts, semi-structured interviews, procurement tenders, and public information (e.g. published reports). The sample size of the case studies was determined by the number of contracts that could be disclosed. As per Article 15 of the Treaty on the Functioning of the European Union, any EU citizen has the right to request documents from an EU institution. However, given the administrative burden of finding the contracts, getting approval from both the beneficiary and the consultant, and then preparing them for release to the public, an agreement with DG REFORM was made to keep the scope to seven contracts, thus seven case studies.

The case studies were selected according to the following criteria: (1) they took place between 2021 and 2023; (2) a report is published on the project on DG REFORM's website; (3) they are standalone (single-country); (4) only one consultant was indicated as contractor on the FTS; (5) they relate to environmental policy; (6) no beneficiary country was selected twice; and (7) no consultancy was included more than twice. This approach yielded seven case studies that are introduced in the chapter on Criterion 3. Beyond contract data, which included a full set of deliverables and tasks for each project, each beneficiary was invited to an interview. In four cases, this interview took place, in two cases a written reply was offered, and in one case the interview was rejected. Moreover, a group interview with six DG REFORM policy officers was utilised.

Finally, where section 1 and 3 of Criterion 3, which assess the drivers behind consultancy hiring and the capacity-building efforts of DG REFORM, do not use a specific framework for analysis, section 2 takes inspiration from Marciano (2023) in categorising the tasks that stakeholders performed. The two-by-two framework, firstly, distinguishes between core and linkage work, where the former, as opposed to the latter, is directly tied to policy-making. Secondly, it differentiates between substance and process work. This thesis deviates slightly from Marciano (2023), who interprets substance as physical contributions and process as adding legitimacy, by coding contract tasks as substance when they refer to providing content and process when they refer to guiding conversations or workshop without adding own content. Since the notion of legitimacy is primarily relevant for discussions on democratic accountability, and because this thesis focuses on bureaucratic capacity, it changed this distinction.

3.2 Climate policy as a case study

This thesis' case studies specifically zoom in on the Commission's involvement in Member State climate policies. Two reasons underpin this choice: the increasingly more important and contested role that private consultants seem to play in national and international environmental adaption policies, and the lack of systematic empirical research on this topic.

Firstly, as global temperatures are continuing to rise (World Meteorological Organization, 2025) and the consequences of climate change are felt more vividly and across more countries than ever before (European Commission, n.d.), governments have come to understand the need to develop climate adaptation and emissions reduction strategies (Keele, 2021, p.56). However, this policy area is plagued by uncertainty, a vast amount of stakeholders that need to be liaised with, a trade-off between current and future wellbeing, interdependence between climate and many other policy areas, and political conflict (Tangney, 2017, p.8).

In response to the overwhelming difficulty of this wicked problem, governments are increasingly seeking out the support of private-sector advisors than can provide them with actionable solutions that they can implement (Keele, 2019, p.11). As one of the earliest 'winners' of the climate crisis (Keele, 2021, p.56), consultants have been helping to develop green technology strategies, share knowledge on best adaptation practices, conduct climate risk assessments, and implement green accounting systems since the late 1990s (Christensen and Collington, 2026, p.223). Through the aforementioned and many other services that both international professional service firms and specialised agencies provide, the global sustainability consulting sector has reached a market size of USD 49 billion in 2023 (Balch, 2024).

However, as with other governmental advisory services, consultants have leveraged previous projects to transfer knowledge, experience, and skills from the public to private sector to then commodify and sell them back to governments at a fee (Keele, 2021, p.68; Keele, 2019, p.22). Although their advice may help the public sector legitimise their environmental policies and mobilise support (Gond et al., 2024, p.157), relying on consultancy advice in the long-run, as with other policies, risks the erosion of key public climate-adaption capabilities (Christensen and Collington, 2026, p.225). Moreover, their involvement in climate policy has caused numerous scandals and critiques that may compromise the legitimacy of climate action and international negotiations (Belot, 2024; Bompan, 2024; Gabbatiss, 2023; Snyder, 2025; Thompson, 2018). For example, McKinsey has been criticised for promoting oil and gas interests from its position as key advisor to the United Nations COP28 talks (Radio France International, 2023).

It is, thus, crucial to understand how consultancies impact the public sector's ability to tackle climate change. However, this understanding is still very limited, which is the second reason behind the case studies' focus. Important research has been conducted, such Keele's (2019) longitudinal ethnographic analysis of how consultants have contributed to sub-national climate adaption policies in Australia (also see Bouteligier, 2011; Gond et al., 2024; Keele, 2017; Lovell and Ghaleigh, 2013). However, the drivers of consultancy hiring in environmental governance and the consequences of this phenomenon on public sector capabilities to tackle the climate crisis require further empirical research (Christensen and Collington, 2026, p.225). This thesis aims to make that contribution through its case study analysis of DG REFORM's environmental projects.

4. C1: Political and Legislative Framework of DG REFORM

Article 197(2) of the Treaty on the Functioning of the European Union states that "The Union may support the efforts of Member States to improve their administrative capacity to implement Union law". As such, albeit limited to the competences of the EU, the European Union has the legal foundation to provide advisory services to national bureaucracies. Where these services were initially limited to supporting the accession of CEE Member States in the early 2000, the Global Financial Crisis in 2008 positioned them to be pivotal tools in guiding bureaucratic reforms in fiscally struggling Member States like Greece, Cyprus, and Portugal (Ongaro, 2024, p.9-10).

The ad-hoc support provided to accession countries and Member States in need of assistance, funded through a multitude of EU Programmes, was replaced in 2017 by a more permanent support structure, the Structural Reform Support Programme (SRSP), overseen by the Structural Reform Support Service (SRSS), a Directorate-General within the European Commission's Secretariat-General that functioned as a public-sector advisor to the Member States. Under the SRSP, the Commission has implemented over 1400 technical assistance projects from 2017 to 2020 with a total budget of EUR 142.8 million (Dirri and Guerra, p.109-110, 2024). In 2020, the SRSS became DG REFORM, an independent DG outside of the Secretariat-General, and in 2021, the SRSP was replaced by the Technical Support Instrument (TSI), a EUR 864 million Programme that lasts until 2027 (Ongaro, 2024, p.6). Although DG REFORM has been merged with the Reform and Investment Taskforce under the shared name of SG REFORM in 2025, the part of the current SG REFORM that oversees the TSI implements it in the same way as before, making the lessons learned from analysing DG REFORM no less relevant.

This chapter assesses the extent to which DG REFORM's advisory services meet Criterion 1:

> *C1 : DG REFORM's political and legislative framework opposes the privatisation of policy capacities.*

In light of the DG's unique position as both consultant to Member States and client to consultants, it reviews whether the political objectives and regulatory infrastructure of the organisation present a successful counter-effort against the privatisation of policy capacities.

4.1 Political objectives

Based on Hood's (1991, p.4-5) overview and the subsequent consultancy literature on NPM (e.g. Bortz, 2026; Hay, 2007; Ylönen and Kuusela, 2019), three key objectives stand out as having impacted governmental reliance on external consultants: (1) the notion that the government needs to become leaner and more efficient; (2) the desire to learn from the private sector; and (3) the focus on results and outputs over proper processes of governance. Whereas the first ambition inspires a reduction in bureaucratic capacity, leaving a gap for externals to fill in, and the second directly invites private-sector consultancy usage, the third objective can lead to a negligence of good governance practices that may undermine bureaucratic quality. Consequently, this section reviews in what way DG REFORM's public communications compare to the aforementioned NPM ambitions. The extent of alignment will provide an answer to **RQ1.1**:

> *RQ1.1: How do DG REFORM's political mission and objectives line up against NPM principles?*

The first NPM-objective refers to the prioritisation of bureaucratic efficiency in order to improve its quality. However, as this approach has been shown to undermine bureaucratic capacity, partially through the hiring of external consultants (Hurl and Vogelpohl, 2021, p.5), it is key to review whether DG REFORM refers to the need for *bureaucratic efficiency* or *bureaucratic capacity* more often and more centrally in its ambitions. Content-analysis of the 25 public documents found 402 mentions of the need to increase Member States' *bureaucratic capacity*, compared to only 134 mentions of bureaucratic efficiency, showcasing that the organisation more regularly communicates the need for strong bureaucracies in Europe over efficient ones. *Appendix B* provides an overview of all coded quotations.

However, frequency only reveals so much. It is also key to explore the context in which the two characteristics are brought up. Three significant findings come up. Firstly, the key founding documents strongly prioritise capacity over efficiency. Regulation 2021/240 establishing the TSI mentions the ambition to improve Member States' 'administrative and institutional' capacity eight times. As per Article 3 of the Regulation, it is seen as the 'general objective' of the TSI. The concept of administrative efficiency is only discussed three times, of which one refers to the 'efficient use of EU funds' and the other two instances promote efficient public administration together with another characteristic (service-oriented; transparent) (European Commission, 2021). Similarly, in the strategic plan 2020-2024 of DG REFORM, capacity-building is mentioned seven times, with it being one of the DG's 'specific objectives', whereas efficiency is discussed three times, of which one was combined with 'well-functioning' (DG REFORM, 2020).

This combination of 'efficient' with other adjectives is the second key finding. When it is not applied to the 'efficient use of EU funds', efficiency is, in a majority of cases combined with an adjective that is more process-oriented, such as 'transparent', 'secure', 'trustworthy', 'inclusive', 'sustainable', 'fair', or once even with 'stronger'. Although the reduction or removal of disproportionate and unnecessary administrative burdens can be seen as uncontroversially positive, problems arise when efficiency is unconditionally prioritised. Consequently, this trend of combining efficiency with other characteristics, especially when capacity is primarily mentioned on its own, suggests that the Commission recognises, to a greater extent than NPM, that efficiency is only one of the means to an end-goal, namely good governance, as opposed to the ambition itself.

Thirdly, in the TSI mid-term evaluation (2021-2023), DG REFORM acknowledges that the 'continuous reliance on TSI may develop into a dependency on external expertise', leading the organisation to conclude that ‘it is crucial to ensure that the instrument supports the build-up of national capacity’ (PPMI and CSES, 2024, p.314). This statement suggests that the consultancy addiction of bureaucrats that scholars fear for (e.g. Raudla et al., 2026, p.156) can also appear when the ‘consultant’ is the EU. However, more importantly, it reveals that the Commission is aware of this concern and aims to take active steps to prevent dependency, namely by more extensively focusing on capacity-building. Consequently, it seems that DG REFORM, at least in its public communications, intends to move beyond NPM’s efficiency-prioritising paradigm and actively strengthen national bureaucracies.

The second NPM-objective expresses the desire to learn from the private sector and, consequently, to learn from external consultants. On 47 occasions, in the documents analysed, DG REFORM reveals where it would like to source its expertise from. Although the need for using internal Commission expertise is mentioned in 27 out of these 47 cases, the majority of them describe it as one of the numerous sources of expertise it can use. For example in the 2023 annual report of the TSI, DG REFORM explains that ‘each project receives a unique combination of expertise provided by the European Commission’s in-house experts, and experts from EU Member State national administrations, international organisations or the private sector’ (DG REFORM, 2024, p.4).

Furthermore, in the yearly management plans of DG REFORM, it acknowledges the need and plan to ‘increase its specialised expertise to build a stronger in-house capacity’, which will ‘ultimately help improve the quality of technical support delivered to Member States’ (DG REFORM, 2021a). However, throughout its communications, DG REFORM also makes clear that it sources expertise externally when needed: nine times from the private sector and eleven times from the public sector. Crucially, these frequencies do not include mentions to specific companies or public organisations, but merely to the private or public sector (also referred to as ‘international organisations’) in general. Information on grant recipients, which are included in the TSI annual finance decisions, does mention numerous of these specific names, meaning that results would have been higher if this was included. However, since it does not refer to the objectives of the DG REFORM, but merely provide process updates, it was excluded.

Moreover, this exclusion does not take away from the key insight that analysis of NPM-objective two provides. Across the communications analysed, DG REFORM makes clear that it recognises the need to strengthen its in-house expertise and employ it where possible. Simultaneously, however, it also acknowledges that it will use “the best available expertise on the market” (PPMI and CSES, 2024, p.20), regardless of where this is sourced from. The organisation, thus, leaves the door open for extensive private procurement.

The third NPM-objective suggests a preference of results and output monitoring over process and good governance practices. A view of the criteria used in the TSI mid-term evaluation (PPMI and CSES, 2024) to assess DG REFORM’s support services shows, for NPM-objective three, perhaps most alignment with NPM but also in the least worrisome manner. 32 out of 60 criteria are coded as assessing the proper process of reform support, whereas 28 focused on outputs and efficiency. *Appendix B* provides an overview of all coded metrics. Process examples include eleven criteria that capture to what extent the EU's support is truly needed and adds value, or two criteria that review internal and external factors and mechanisms that ought to be considered in implementing the reform support, such as whether Member States are given enough ownership of the process. The seven relevance and ten coherence criteria are also considered as prioritising proper process, since they aim to ensure that the reform support is truly helpful to the specific needs of each Member State, and because they safeguard the alignment of the TSI with other policies, programmes, and priorities within the EU.

On the output and efficiency side, it is noticeable that the output measures, primarily captured within effectiveness and sustainability, follow very concrete KPIs such as the 'share of beneficiary authorities and national coordinating authorities who agree that the TSI contributed to individual capacities in their country'. However, these output measures all align with the wider political objective to improve Member States' capacity to implement needed reforms in the short- and long-term. Moreover, efficiency measures primarily assess whether support was delivered on time and, crucially, whether the 'administrative burden of the TSI is perceived as proportional'. As such, DG REFORM does not demonstrate the intention to unconditionally make its processes leaner, perhaps sacrificing proper processes. Instead, it simply aims to meet demand for support in a cost-effective manner without 'obvious inefficiencies or wasted resources'.

Consequently, although performance measures of the TSI and DG REFORM include ample criteria on the efficient delivery of results, associated with NPM, the outputs established are (1) themselves beneficial to Member States' bureaucracies in the long-term, and (2) accompanied by an even larger number of criteria that extensively assess whether the processes in place are proper. One key caveat is that the impact of the reforms themselves, as opposed to the advisory process measured by the TSI mid-term evaluation, are not assessed, and this is where one could expect equity and inclusivity concerns. Such justice considerations would need to be taken into account when advising on policy (Van Uffelen et al., 2025), and the mid-term evaluation currently does not measure whether DG REFORM does so.

4.2 Regulations

The literature review identified three regulatory components that play a key role in shaping DG REFORM's support to Member States in light of the privatisation of policy capacities: (1) how strict are the supply-side regulations that the Commission enforces upon itself as a supplier of expertise, (2) how strict are the demand-side regulations that it enforces upon its procurement of external consultancies, and (3) to what extent do demand-side regulations take into account the relations between civil servants and consultants? Answering these three questions provides an answer to **RQ1.2:**

RQ1.2: What rules regulate DG REFORM's advisory services and consultancy?

Firstly, as Zaman et al. (2026, p.170) point out, the extent of supply-side regulation within consultancies differs strongly on a case-by-case basis, both between companies and between jurisdictions. The Centre for Strategy & Evaluation Services (2022, p.58) reveals that all EU consultancies interviewed in their investigation of EU consultancy usage have strict codes of conduct on conflicts of interest, risk management, and corruption. However, as the Commission's 2025 banning of IBF International Consulting for 'grave professional misconduct' demonstrates, the existence of private-sector supply-side regulations does not guarantee that they are always followed (Consultancy.eu, 2026).

In comparison, from a supply-side, not only do private-sector conflicting interest not apply to DG REFORM, as a governmental department, but its public position also means that it is subject to greater scrutiny in its service delivery. Regulation 2021/240 establishing the TSI obligates DG REFORM to review the design and delivery of each project, which it does through a satisfaction survey filled out by Member States, but it also makes DG REFORM present an annual report on its work, conduct a mid-term and ex post evaluation of its advisory services to Member States, and publish the final report of each project unless justifiably opposed by the Member State (European Commission, 2021). Finally, as per Article 3 of Regulation 2021/240, the Commission makes clear that the general objective of DG REFORM should be to strengthen Member States' institutional and administrative capacity. Where the aforementioned expectations are not fulfilled, the Commission, the Parliament, and external partners are able to hold this public institution accountable. Consequently, as a supplier of expertise, DG REFORM presents a democratically transparent alternative to private consultancy firms.

However, as mentioned prior, the DG itself also hires private consultants, which may warrant concerns. In terms of the strictness of its demand-side regulations on procurement, the second component of this section, multiple strengths and gaps can be identified. Looking at the Financial Regulation, which provides general rules on the implementation of the EU budget, it states that the 'Commission shall not…outsource tasks involving the exercise of public authority and discretionary powers of judgement' (Article 62(3)), ensuring that consultants do not access central decision-making roles. Moreover, it allows the Commission to withhold 10% of payments if contractual obligations are not fulfilled (Article 176(1)), and it enforces a no-profit principle when work is outsourced through grants (Article 195). On the other hand, it does not explicitly prohibit private companies from being awarded work under indirect management (IM), an outsourcing mode that delegates budget execution to the external partner and would provide consultants with significant influence (European Commission, 2024). However, the group interview with DG REFORM confirmed that the DG does not award IM contracts to consultancy firms. *Appendix D* provides an overview of all interview results.

Furthermore, both the Financial Regulation and the internal Vade-Mecum, which offers step-by-step instructions to officials on the procurement process, lay down stringent regulations on conflicting interests within external contractors, including consultants. Article 61 of the Financial Regulation prohibits officials involved in budget implementation from being 'compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest'. Section 1.6 of the Vade-Mecum also delves further into conflicting interests within contracted partners, stating that an applicant's tender ought to be rejected when they have demonstrated 'grave professional misconduct', 'distortion of competition in tender specifications', or 'professional conflicting interests'. Case law, namely T-195/05 Deloitte Business Advisory NV vs Commission, provides further legislative clarification that the conflicting risk cannot be merely hypothetical, but that a real risk of conflict, even when the contractor has acted in good faith, suffices as grounds for rejection (European Court of First Instance, 2007). Rules on conflicting interests were strictly followed in all twenty contracts analysed by the European Court of Auditors (2022, p.27).

Although the Vade-Mecum provides further transparency obligations on procurement, including the necessity to publish projects above EUR 15,000 on the FTS and save project documentation for ten years, a key gap exists. Neither the Vade-Mecum nor the Financial Regulation dedicates specific attention to the role consultancy firms play in procured expertise-provision. Given the scholarly concern of the 'shadow government' (Guttman and Willner, 1976, p19) or 'consultocracy' (Ylönen and Kuusela, 2019, p.241) that consultancy firms may form behind closed doors, and given the Commission's extensive consumption of consultancy services (European Court of Auditors, 2022, p.9), it is crucial to more explicitly regulate their working practices during procurement tendering and when on projects.

The Better Regulation Toolbox provides a few guidelines on how to engage with consultants when they perform evaluations of EU initiatives, one of the four services for which consultants are procured – the other three are general consultancy work, studies, and research. For example, Tool 8 states explicitly that consultants 'should not be involved on substantive discussions taking place between ISCG members' (European Commission, 2025, p.52), with ISCG being the interservice coordination group that oversees the evaluation from the EU's side. As per Tool 45, an evaluation, conducted by a consultancy, can also on its own not be considered as meeting the Commission's evidence-based standards. "An evaluation report in the form of a staff working document is required to bring together all the information and present the position of the lead DG" (European Commission, 2025, p.384). Finally, it also states specifically which tasks can be outsourced, ranging, for example, from desk research and literature reviews to modelling and data analysis (European Commission, 2025, p.391).

However, crucially, the Toolbox only provided guidelines for evaluations, such as the TSI mid-term evaluation, thus not applying to the project work of DG REFORM. As such, procurement regulations on DG REFORM's projects are limited to those indicated in the Financial Regulation and Vade-Mecum. These do not set constraints on the work that consultants can do (apart from excluding them from executive decision-making), nor do they provide guidelines on how DG REFORM can best transfer knowledge from private-sector consultants to itself and beneficiary Member States, preventing the flow of policy capacities from moving the other way. The TSI Regulation also provides no guidance on how to achieve this ambition.

Moving on the third regulatory component, not only does the strictness of demand-side regulations leave gaps, but it also seems to be primarily transactional, in line with NPM principles. Where the Financial Regulation indicates that procurement selection decisions need be based on which tender is the most economically advantageous (Article 170(1)), the Staff Regulations only provide limited constraints on the relations between consultants and civil servants (European Commission, 2026). Article 11 requires all officials within EU institutions to respect their ‘duty of independence’ and reject gifts and payments unless they receive permission, and Article 16 states that officials need to inform authorities of where they intend to work in the next two years. However, the effectiveness of Article 16 relies on departing staff honestly informing the Commission of their professional ambitions, a feat criticised by the European Court of Auditors (2022, p.28). Moreover, the regulations do not touch upon the personal relations that consultants and civil servants can build over multiple years, aligning with the concerns of Bortz et al. (2024, p.26-28). Finally, although Article 16 specifically forbids senior officials from engaging in advocacy or lobbying work on the matters they were responsible for in the last three years, this provision does not explicitly mention consultancy and does not adequately prevent ‘revolving door’ behaviour in practice, according to the European Ombudsman (Benakis, 2022).

4.3 Chapter summary

This chapter investigated the political objectives and rules that govern DG REFORM’s advisory services and own procurement practices in order to assess the extent to which they enable DG REFORM to oppose the privatisation of policy capacities. It, firstly, reviewed the extent to which its objectives align with the NPM principles that underpin the use of consultants. Conducting content analysis of public communications and looking at the evaluation criteria of the TSI mid-term evaluation, it found that DG REFORM greatly prioritises administrative capacity over bureaucratic efficiency, that it aims to use internal expertise where possible, but that it also does not refrain from procuring knowledge from the private-sector where needed, and, finally, that it employs both proper governance and efficient output metrics to evaluate its work, but that both facilitate Member States capacity-building.

Secondly, DG REFORM’s legislative framework and public accountability provide strong guarantees for its quality and transparency as a supplier of expertise, they strongly regulate conflicting interests, and they prevent external contractors from taking part in executive decision-making conversations. However, they do not set out specific provisions for the regulation of consultancy usage beyond evaluations on EU initiatives, they do not discuss the influence of consultants on projects beyond their removal from EU-level decision-making, they do not explain how the privatisation of policy capacities can best be opposed, and they leave key gaps in the regulation of relations between consultants and civil servants.

Consequently, on the one hand, the political and legislative framework of DG REFORM showcases evident ambitions to build public-sector capacities, use in-house expertise, and prevent consultants from taking political decisions. On the other hand, the framework also leaves the door open for the extensive use of private consultants without much regulation on the influence they have, the relations they build with Commission officials, and, crucially, the way they contribute to the privatisation of policy capacities. As such, in terms of DG REFORM’s compliance with Criterion 1 (*its political and legislative framework opposes the* *privatisation of policy capacities*), the short answer is that its ambitions and existing efforts are recognisable, but that it leaves key gaps for extensive consultancy usage and undue privatisation of policy capacities. Nevertheless, publicly communicated objectives and regulations only mean so much. To build a comprehensive evaluation of DG REFORM, further financial and case-study analysis is required. The following two chapters will tackle those with respect to Criterion 2 and 3, respectively.

5. C2: Extent of Consultancy Usage by DG REFORM

DG REFORM has expressed its political ambition to use in-house and public-sector expertise, but its regulatory framework provides scope for the use of private-sector consultants. As such, financial analysis can reveal how these two forces balance out in the DG's actual sourcing of advisors, evaluating DG REFORM's performance on Criterion 2:

C2: DG REFORM sources its expertise primarily from public-sector organisations.

Leveraging the 475-project large database of DG REFORM's standalone projects from 2021 to 2023, this chapter will answer **RQ2.1** on *the share of public vs private expertise in the DG's projects* and **RQ2.2** and **RQ2.3** on *how private-sector consultancy usage is divided across countries and policy areas*. *Appendix C* provides an overview of all projects. However, firstly, this chapter discusses general findings and methodological limitations of the project database.

Figure 2 and *Figure 3* below demonstrate how the 475 projects are divided over the 27 Member States and ten identified policy areas. Crucially, one can notice larger usage of the TSI's services among Southern and Eastern Member States than by its North-Western counterparts, with Greece (41), Croatia (30), Romania (28), and Spain (28) ranking highest in TSI-usage and Luxembourg (2), Germany (4), Sweden (7), and Denmark (7) lowest. The relatively lower administrative capacity of Central and Eastern European (CEE) governments, especially in regards to implementing EU funds, can explain much of this gap (Marchevska and Fobé, 2025, p.529; Țigănașu et al., 2018, p.53). In addition, Spain's but also Portugal's and Cyprus' (both 26 projects) high reliance on the TSI may be the long-term outcome of the programme's predecessors being tailored to countries that suffered most from the Global Financial Crisis (Ongaro, 2024, p.4). As such, these Member States could have built a long-lasting relationship with the technical support providers within the European Commission that still manifests today.

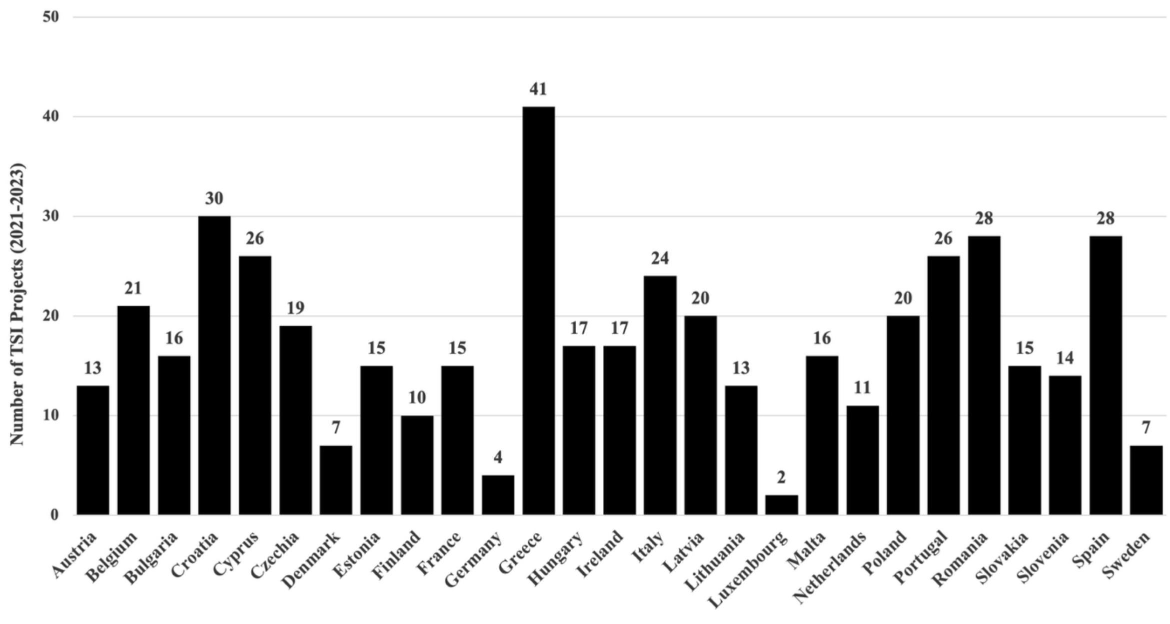

Figure 2: Number of TSI projects that DG REFORM implemented per Member State (2021-2023)

Furthermore, DG REFORM's project distribution among the ten policy areas illustrates the Commission's focus on green transitions in the immediate post-pandemic period. Where general administrative (69), fiscal (68), healthcare (45), education (45), and digitalisation (44) initiatives received somewhat equal attention, 96 projects were focused on Member States' environmental transitions. DG REFORM's emphasis on this policy area aligns with the Commission's prioritisation of energy transitions and the European Green Deal under Von der Leyen I (Siddi, 2023, p.3). Although security projects (19) were least common in 2021-2023, the Commission's recent shift from environmental to security and defence policies may have led and will continue to contribute to a larger emphasis on this policy area within DG REFORM projects (European Parliamentary Research Service, 2025). The alignment of TSI support with overarching Commission ambitions provides an interesting area of future research, but it will not be further discussed in this thesis.

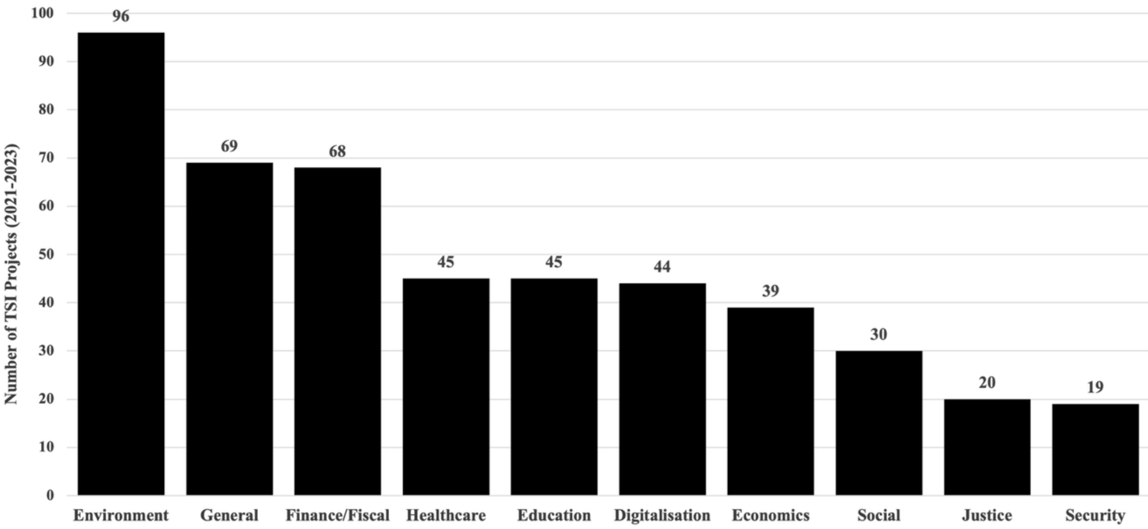

Figure 3: Number of TSI projects that DG REFORM implemented per Policy Area (2021-2023)

Finally, in terms of the database's methodological challenges, out of 475 standalone projects identified, the contract size could be discovered of only 265 projects (56%). These accumulate to a budget of EUR 110.3 million, only 31.4% of the total EUR 351.1 million budget that covered the TSI from 2021 to 2023 (DG REFORM, 2023, p.32, 2022, p.30, 2021, p.26). The TSI budget is comprised of four categories: (1) grants; (2) public procurement; (3) indirect management (IM); and (4) other expenditure. The FTS and the annual financing decisions capture categories (1), (2), and (4) on an individual project-level, which make up EUR 196.8 million of the total budget. The difference between this number and the EUR 110.3 million total budget of this thesis' database lies in the exclusion of multi-country projects and internal services like IT support.

As such, much of the budget gap of this database is explained by category (3): indirect management. This management mode allows for the implementation of TSI funding to be fully delegated to another organisation through a framework agreement. An example is the 'Support to EU Member States in the Implementation of Reforms under the Technical Support Instrument 2021: Governance and Public Administration' agreement with the OECD, comprising EUR 8.4 million. Although these framework agreements are included in the FTS, collectively making up EUR 154.3 million from 2021 to 2023, individual project-level costs are reported by neither the European Commission nor its framework partners, who also include the Council of Europe, the International and European Bank for Reconstruction and Development (EBRD and IBRD), and the International Office for Migration.

On the one hand, DG REFORM only conducts such IM agreements with public sector organisations (SG REFORM, 2026), promoting public-to-public knowledge transfer. On the other hand, these public-sector agreements showcase least transparency of all cases analysed, because it is impossible to separate funding per project, meaning that all 132 IM projects in this thesis' database have an unknown contract cost. Uncertainty about the budget of individual projects also applies to the 78 standalone projects that were included in the country factsheets but could not be traced within the FTS. Through DG REFORM's website, it was found that eight of these projects were implemented by a private-sector partner, four by a public sector partner, and six through internal expertise. Sixty projects remain, however, for which no contract budget nor responsible organisation for delivery could be traced.

This lack of transparency is worsened by the fact that projects are not consistently processed across platforms. Some projects, such as the *expansion and improvement of the utilisation of telemedicine services* in Croatia, are included in the country factsheets of one year (in this case 2021) but in the FTS database of another year (2022). Consequently, it is possible that some of the 2023 projects with an unknown contract cost could be included in the 2024 FTS data that was not included in the analysis.

Moreover, projects are not consistently named across platforms. For example, the *Development of entrepreneurial, innovative and digital environment in Stara Zagora*, as named in its project overview on DG REFORM's website, is called the *Strategy for the Development of Entrepreneurship, Innovation, and Digitisation and a Roadmap for its Implementation* on the FTS, consequently requiring more time-consuming and error-prone manual identification of matches. Finally, six standalone projects on the country overviews support a national authority with implementing a specific type of *Just Transition*, e.g. the renovation of buildings. However, all six are called the *Implementation of the Just Transition* on the FTS, making it impossible to find which project was implemented at which cost.

These processing issues, together with the fact that the details and impact of only 66.5% of standalone projects are communicated on the website, complicate academic and public research into DG REFORM's consultancy usage, an empirical task that is already plagued by general methodological constraints and information opacity (Sturdy, 2018, p.204; Veselý, 2013, p.78). Nevertheless, the data that is currently available does allow for a cautious estimation of the extent of private-sector consultancy usage by the Commission, especially since public-private partnerships are reported on relatively transparently in the FTS. The two sections below elaborate on these findings.

5.1 Share of private, public, and internal expertise

Given that FEACO reports show an eightfold real increase (fourteen if not adjusted for inflation) in governmental consultancy hiring in Europe from 1998 to 2024, and as scholarly literature overwhelmingly supports the rise in public-sector consultancy consumption (Hurl and Vogelpohl, 2021, p.3; Marciano, 2023, p.574; Raudla et al., 2026, p.150; Van Helden et al., 2026, p.192), one would expect to see this phenomenon to some extent within DG REFORM, despite its public ambitions to source expertise internally and from public organisations. However, as presented prior, if DG REFORM is able to present a public-sector alternative to Member States' use of private consultants, it ought to keep its own consumption of these advisors to a minimum. Otherwise, it simply becomes a broker and subsidiser of national consultancy usage.

As illustrated by *Figure 4* below, however, both the frequency of projects and budget commitments showcase considerable but decreasing usage of private-sector consultants by DG REFORM. Out of the 414 cases for which the primary contractor was able to be traced, a consultancy firm was the delivery partner of 216 projects (52%). Public sector organisations, primarily the OECD, were used for 192 projects (46%), and internal expertise was used only in 1.45% of cases (6 projects). Although the 61 projects, for which the primary contractor is unknown, could sway these results, this would not change the fact that DG REFORM has made use of private-sector consultancy services more than two hundred times in only three years. On the other hand, in *Figure 4*, one can see a yearly reduction in the number of projects for which private consultants have been hired, from 113 in 2021 to 35 in 2023. A part of this trend is that the overall number of standalone projects has reduced from 226 to 102. However, given that the share of projects, which used consultants, among total projects each year (including those with an unknown contractor) has decreased from 50% in 2021 to 34% in 2023, DG REFORM has reduced its tendency to hire consultancy firms.

In terms of budget commitments, DG REFORM has spent a total of EUR 79.0 million on private-sector consultants for its standalone projects between 2021 and 2023, 72% of the total budget included in the project database (EUR 110.3 million). This share is, however, not representative of all projects. The database excludes IM, which is worth EUR 154.3 million and is only spent on public partners. Including this amount would lower the proportion of private consultancy spending to 30%. However, as stated prior, the indirect management framework contracts do not separate between standalone and multi-country projects, the latter also including private-sector contracts that are currently not taking into account within the EUR 79.0 million. As such, the exact proportion lies somewhere between 30% and 72%.

Consequently, given the lack of project-level data within IM, given this thesis' focus on standalone projects, and given the number of projects for which no delivery partner could be found, this thesis cannot reveal the exact proportion of DG REFORM's budget that is spent on private consultancy firms. Nevertheless, the fact that the DG spent almost EUR 80 million in three years on consultants in standalone projects indicates that it does not contain its private-sector consultancy usage to a minimum, a feat you would expect from an organisation that provides an alternative to the privatisation of policy advice and capacities. Crucially, interviews with DG REFORM and beneficiary Member States revealed that consultants often leverage subcontractors, sometimes from the public sector, to implement parts of its projects, despite not being recorded on the FTS. Although this means that not all EUR 79.0 million remains within the consultancies, the fact remains that DG REFORM pays the primary contractor (consultant), meaning it has spent EUR 79.0 million on consultants.

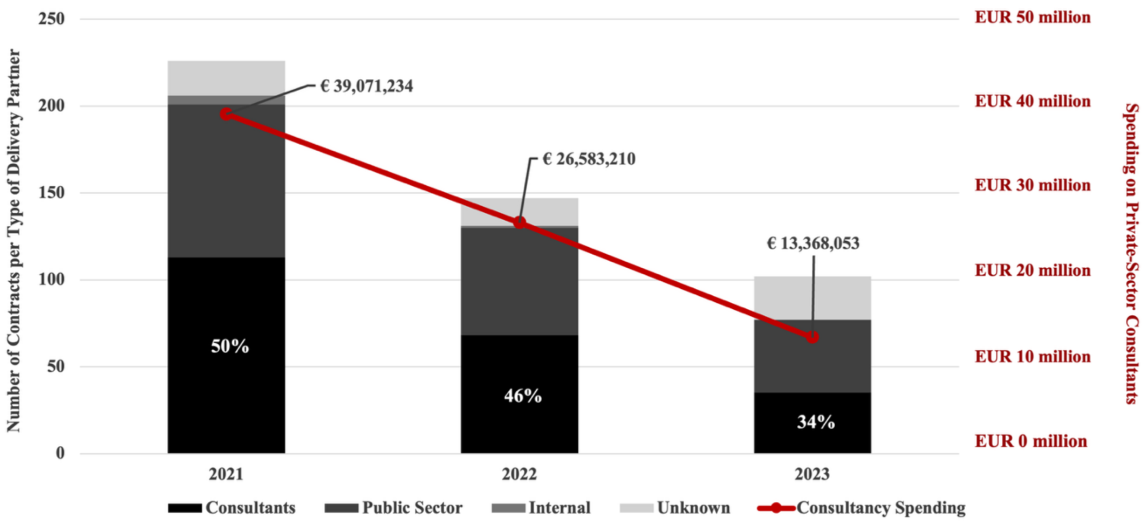

Figure 4: On the left axis the number of contracts each type of delivery partner has implemented each year; on the right axis the amount DG REFORM has spent on consultants each year

Finally, the contracts analysed were implemented by a total of 47 primary delivery partners. The most often used delivery partner, by some distance, was the OECD at 119 standalone projects. The total budget spent on the OECD is EUR 93 million, but it is not clear how much of that was used for standalone and how much for multi-country projects. In terms of private consultants, however, PricewaterhouseCoopers (PwC) was most often used with 55 standalone projects registering a total budget of EUR 19.9 million. They are followed by AARC with 47 projects (EUR 19.6 million), Ernst & Young (EY) with 37 projects (EUR 12.8 million), Deloitte with 27 projects (EUR 10.3 million), and KPMG with 22 projects (EUR 7.2 million).

As no other company was able to be the primary contractor of more than seven projects, and as these five companies were responsible for 188 out of 216 private-sector contracts (87%) and EUR 70.4 million out of the total EUR 79.0 million spent on private advisors (89%), DG REFORM's procurement practices from 2021 to 2023 showcase concerning concentration of its private sourcing of expertise among the Big Four (PwC, EY, Deloitte, and KPMG) and AARC. These findings echo scholarly (Bortz, 2026, p.227; Xia and Zhou, 2025, p.1) and public (The Centre for Public Integrity, 2023, p.6) concerns about the dependency of governments on the Big Four.[4]

This concentration is the direct result of DG REFORM's procurement policies. Instead of opening public tenders for each project, it publicly tenders four-year long framework contracts,

[4] The exact number of projects and amount spent per contractor can be found in *Appendix C*. However, figures for public organisations do not include IM contracts, due to their lack of project-level differentiation.

through which seven consortia of organisations are selected that can then internally compete for individual projects. Two framework contracts apply to our analysis: the *2018 provision of consultancy services for the development and implementation of structural reforms in EU Member States* and the *2022 provision of consultancy services, including for the design, development, implementation, monitoring and evaluation of structural reforms in EU Member States*.[5] Although DG REFORM claimed, in the group interview, that these consortia comprise a range of private and public sector organisations (SG REFORM, 2026), the two contracts together have selected fifty organisations (double-counted if included in both contracts), of which only nine are public organisations or research institutes. Moreover, for all consortia, the primary contractor is a private consultancy: AARC, ICF SA, Deloitte, EY, KPMG, and PwC were the primary contractor of their consortium in both the 2018 and 2022 framework contracts, whereas IBF Consulting was replaced by McKinsey in 2022 (DG REFORM, 2022b, 2021c; SRSS, 2019, 2018).

Although the framework contracts do not reveal additional project-tailored subcontractors used, such as Gaia Consulting Oy in the Finnish case study analysed in the next chapter, and although we do not know whether the four rejected tenders in 2022 and the six in 2018 were consultancy-led, DG REFORM's framework procurement does provide ample evidence and explanation for the concentration of contractors amongst a few consultancies.

5.2 Spread of consultancy usage across countries and policy areas

Empirical literature has documented great variation in governmental consultancy usage across jurisdictions, policy areas, and even ministries (Araral et al., 2013, p.342; Howlett and Migone, 2013, p.243; Seabrooke and Sending, 2022, p.458). In order to gain a deeper understanding of DG REFORM's private-sector consultancy usage and grasp where and in what fields public-sector capacities are lacking the most, it is, therefore, important to understand how consulting hiring is spread across Member States and policy areas.

Firstly, with the average proportion of consultancy usage at 52% of all projects for which the primary contractor is known, country-level variation shows that the majority of countries hover between 35% and 65%. However, there are some outliers. On the lower end, in the Netherlands, DG REFORM only hired private consultants in three out of eleven cases for which the contractor was known (27.3%). In Bulgaria, the usage was three out of fourteen cases (21.4%), and, in Lithuania, consultants were used only once in twelve projects (8.3%). On the high end, thirteen out of eighteen projects, in Czechia, for which the contractor was known, used private consultants (72.2%), whereas this figure reached seventeen out of 23 cases in Cyprus (73.9%) and 11 out of 14 cases in Estonian (78.6%). *Figure 5* below illustrates these results.

[5] One can find both the opening of the tender and the results announcements on the Tenders Electronic Daily (TED) Platform if one visits 'contracts awarded by EU institutions' and types the contracts names put in italics.

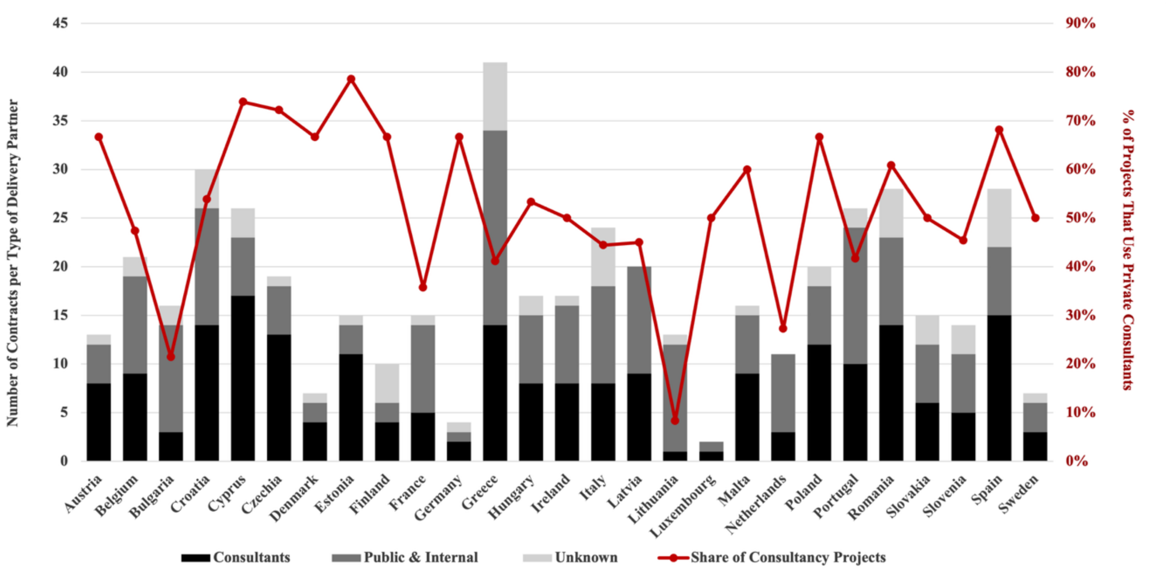

Figure 5: On the left axis the number of projects each type of delivery partner has delivered per beneficiary Member State; on the right axis the percentage of projects, for which the contractor is known, that are implemented by a consultancy

As the Member States themselves have no influence on the procurement decisions of DG REFORM, and as the extent of private consultancy usage seems to be distributed somewhat arbitrarily across Member States, not aligned with previously mentioned studies on the need for advice in CEE and Southern Member States, financial analysis provides no reasonable explanation for this split. Given that DG REFORM has indicated that it sometimes struggles to even find a delivery partner (PPMI, 2024, p.306), more in-depth qualitative research would be needed to explain why private consultants are used more for some beneficiary countries than for others.

As for budget expenditure, the Member States that received most private-sector consultancy support from 2021 to 2023 are Estonia at EUR 5.2 million (6.6% of the total budget spent on private consultants), Romania at EUR 5.7 million (7.2%), and Spain at EUR 6.1 million (7.7%). With Croatia, Cyprus, and Greece following closely, these findings largely follow the general distribution of TSI budget across Member States. The one outlier is Estonia, which has partaken in only fifteen projects, compared to 41 in Greece, but for which the very high tendency of private consultancy hiring (78.6% of cases) has meant that almost all of its TSI budget has been spent on consultancy firms. On the lower side, in terms of consultancy usage, one can see a similar resemblance to the general TSI budget distribution, with Germany at EUR 0.6 million (0.8% of total budget used for private advisors), Lithuania at EUR 0.4 million (0.5%) and Luxembourg at EUR 0.3 million (0.4%).

However, Lithuania is somewhat of an outlier. The country has participated in thirteen projects (only two less than Estonia), but the very low use of private consultants for projects in this country (8.3%) have caused its budget contributions to consultancy firms to be so low. *Figure 6* below captures only absolute budget expenditure on consultants without making these numbers proportional to total budget figures, since, as indicated prior, indirect management spending is unknown for standalone projects, making proportions unrepresentative.

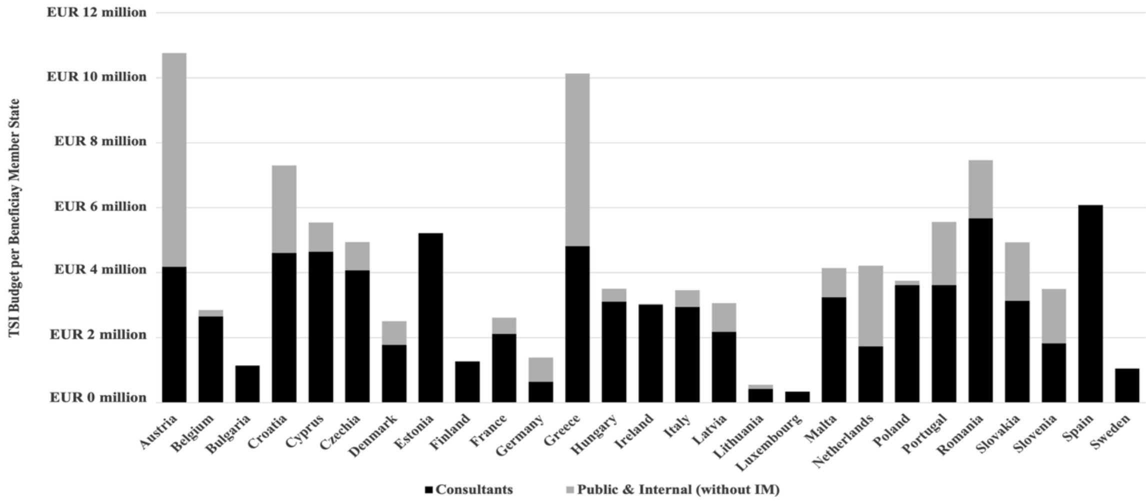

Figure 6: The procurement, grants, and other expenditure of DG REFORM for each Member State (2021-2023), split up per type of delivery partner (these figures excludes indirect management)

Secondly, as captured by *Figure 7*, DG REFORM's private-sector consultancy usage is, similar its general TSI focus, most prominent in environmental projects (59), followed by financial/fiscal (36), digitalisation (29), economic (26), and healthcare (25) projects. As such, environmental support projects made up 27% of all standalone projects that used consultancies. These policy areas all share a relatively high proportion of consultancy hiring too. Where private-sector advisory firms were hired in 59.5% of healthcare and 61% of financial/fiscal projects, this proportion reached 71.1% for environmental, 72.5% for digital, and 78.8% for economic cases.

On the other hand, lowest private consultancy usage is found in the policy areas education (8), security (6), social policy (5) and justice (4), making up only 1.9% to 3.7% of total projects that used consultants. This is not just explained by lower TSI dedication to these policy areas, since their tendency for consultancy is also substantially lower. Where private advisors are hired in 37.5% of security projects, this proportion drops to 28.6% for justice projects, and to 19% and 18.5% for education and social projects, respectively. As such, DG REFORM opts more regularly for public-sector delivery partners in social (e.g. unemployment) and education-related projects than in environmental, financial/fiscal, or digital projects.

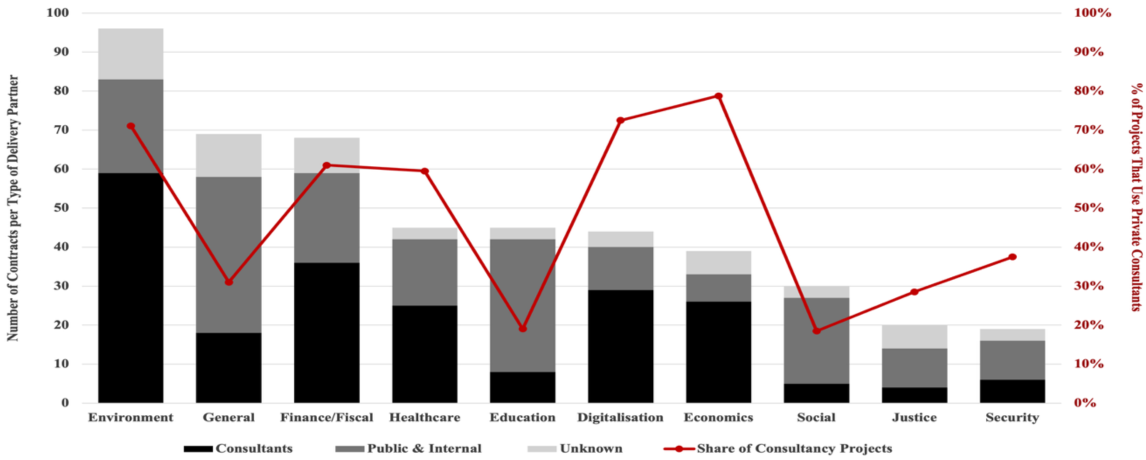

Figure 7: On the left axis the number of projects each type of delivery partner has delivered per policy area; on the right axis the percentage of projects, for which the contractor is known, that are implemented by a consultancy

This divergence is also noticeable when looking at the budget spent on consultants per policy area, as illustrated by *Figure 8*. For example, environmental, financial/fiscal, and digital projects take up EUR 24.4 million (30.1%), EUR 12.7 million (16.2%), and EUR 10.4 million (13.2%), respectively, of the total budget spent on consultants (EUR 78.7 million). On the other hand, DG REFORM only spent EUR 1.6 million on private advisors for security (2.1%), EUR 1.4 million for justice (1.8%), and EUR 1.1 million (1.4%) for social projects.

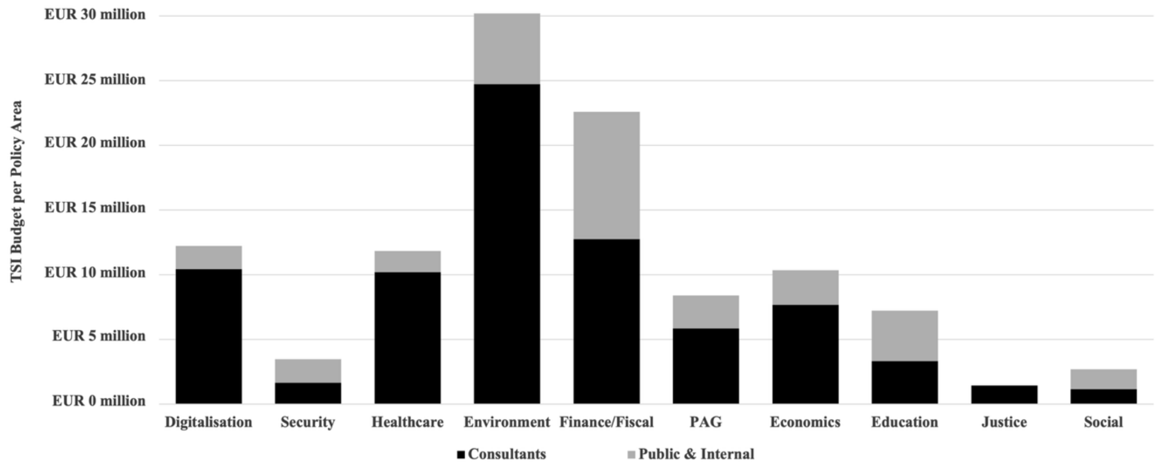

Figure 8: Figure 5: The procurement, grants, and other expenditure of DG REFORM for each policy area (2021-2023), split up per type of delivery partner (these figures excludes indirect management)

Several explanations may provide clarity on DG REFORM's differing tendency to hire private-sector consultants among policy areas. Firstly, from a demand-perspective, scholars have pointed out that consultants are more like to be hired in rapidly changing policy field, such as climate change (Keele, 2021, p.56), digitalisation (Steiner et al., 2018, p.485), and healthcare and fiscal policy around the COVID-19 pandemic (Vogelpohl et al., 2022, p.375), since governments need quick access to resources. However, education, justice/security, and social ministries have also shown to hire consultants extensively in Europe (Van den Berg et al., 2019, p.141), meaning that this cannot be the sole reason for the divergence.

Secondly, one could argue that the higher frequency of consultancies in, for example, environmental projects means that DG REFORM requires an amount of expertise capacity for that policy area that public-sector organisations cannot meet. As such, DG REFORM has no other option but to hire private advisors. However, this capacity-gap argument does not explain why environmental projects, in absolute terms, use less public-sector advisors than, for example, educational projects. It also neglects the fact that DG REFORM has created partnerships with public organisations like UNICEF and the International Office for Migration, but not with organisations like UNEP (UN agency for environment).

The group interview with DG REFORM revealed some insight into why consultants are hired more frequently in some areas than others. According to a policy officer of the DG, in for example digitalisation projects, private-sector consultants simply have more expertise than public organisations. Combined with the fact that DG REFORM makes its procurement choices based on the highest value-for-money (SG REFORM, 2026), private consultants perhaps offer a better value proposition than public organisations, despite their profit margins. As further elaborated upon in the next section, consultancy firms' use of 'consortia', i.e. a group of subcontractors, including from the public sector, in their application also means that DG REFORM may feel that it does not solely opt for a private company as delivery partner. Nevertheless, financial analysis and one group interview with DG REFORM does not provide a comprehensive answer to why these differences exist – large-scale qualitative analysis, for example through a survey of policy officers at the Commission, would be needed.

5.3 Chapter summary

In sum, despite the need to take this chapter's findings with a grain of salt, due to methodological obstacles, the analysis does demonstrate that, between 2021 and 2023, DG REFORM spent at least EUR 79 million on private-sector consultants. Although such extensive usage of consultancy firms makes it difficult to classify the DG as a successful public-sector alternative to Member States' own consultancy hiring, the decrease in the yearly frequency of projects that use consultants – from 50% of all standalone projects in 2021 to 34% in 2023 – provides a positive outlook on current practices and warrants further investigation of post-2023 consultancy hiring. The financial analysis also does not discover how much of the 79 million ends up among public-sector subcontractors that assist the consultancies in executing the project. Nevertheless, the framework contracts provide strong evidence and a clear explanation for why DG REFORM's primary delivery partners are so heavily concentrated among a few (specifically, seven) private consultancies. More transparency from DG REFORM on sub-contractor usage would allow, however, for a complete estimation of how much it spends on private consultants.

Moreover, where the tendency of DG REFORM to hire private-sector consultants seems to be divided somewhat arbitrarily across Member States, between 2021 and 2023, it was significantly more likely to hire consultants on environmental, financial/fiscal, and digitalisation projects than education, social, or security projects, largely following the general TSI emphasis. Multiple theories may provide some explanation for this difference: namely the more prominent need to hire consultants in rapidly changing policy fields like climate change, the lack of public-sector capacity to meet DG REFORM's higher demand for expertise in these areas, or the fact that private consultants simply have more expertise in those areas. However, more extensive qualitative analysis would be needed to truly answer why consultants are hired more frequently in certain geographies and policy areas.

In sum, reviewing the extent to which DG REFORM meets Criterion 2 (*DG REFORM sources its expertise primarily from public-sector organisations*), this chapter revealed that large-scale use of consultants by DG REFORM between 2021 and 2023, especially in policy areas like the environment, rendered it unable to be a truly successful alternative against the privatisation of policy capacities. However, one can already call it a successful alternative in policy areas like social policy, and the decreasing consultancy usage, together with the uncertainty of subcontractor use, would require further analysis to discover if it is currently more successful.

6. C3: DG REFORM's 'Publification' of Policy Capacities

In addition to researching the political context and financial scope of DG REFORM's advisory services and consultancy hiring, a comprehensive analysis of its role in the privatisation of policy capacities requires investigation of what happens on projects when consultants are hired. As such, seven environmental case studies were selected for in-depth analysis on DG REFORM's performance in relation to Criterion 3:

> *C3: When DG REFORM does hire private consultants on projects, it actively promotes the 'publification' of policy capacities.*

This chapter will, firstly, discuss the reasons identified for Member States to apply for the TSI and for DG REFORM to subsequently procure a private consultancy. Then, it will critically evaluate the roles that DG REFORM, the consultant, and the beneficiary Member State play in projects, contributing to the scholarly discussion on what tasks should and should not be executed by private companies. Finally, it will investigate the flows of knowledge and policy capabilities between the private and public sector in the seven identified case studies. As such, this chapter aims to reveal to what extent DG REFORM allows the use of private consultants to erode public sector policy capacities, or whether it contributes to the 'publification' of these capacities from private consultants to public beneficiaries. However, it is, firstly, important to briefly introduce each project, with *Table 1* providing their key characteristics.

Project Name	Country	Beneficiary Authority	Contractor	Contract Size
Implementing the National Energy and Climate Plan and Developing the Long-Term Strategy	Romania	Ministry of Energy and Ministry of Environment	PwC	EUR 398,414
Recharge and Refuel – Clean, Smart and Fair Urban Mobility	Slovakia	Ministry of Transport	KPMG	EUR 260,430
Renewable Energy Deployment in Electricity Sector	Slovenia	Ministry of Environment, Climate and Energy	EY	EUR 723,300
Spending Review on Climate Change Policies and Assessment of the Economic Impact of Climate Change-Related Risks	Spain	Spanish Climate Change Office	Deloitte	EUR 279,818
Strengthening Coordination in Climate Change Adaptation Policy Between Local, Regional and National Authorities	Poland	Ministry of Climate and Environment	PwC	EUR 349,248
Technical Support for Preparation and Implementation of Green Taxation Reform	Cyprus	Ministry of Finance	IBF	EUR 265,874
Do No Significant Harm (DNSH) Guidelines for Implementing the Green Transition	Finland	Ministry of Environment	AARC	EUR 407,300

Table 1: Overview of the Seven Case Studies Reviewed for this Thesis

All projects followed a similar path: (1) the beneficiary identified a need to ask DG REFORM for support and then applied for the TSI; (2) DG REFORM accepted the request and contracted a consultant to execute the support; (3) the consultant, DG REFORM, and the beneficiary collaboratively decided upon the scope of the project; and (4) the consultant then spent up to two years completing each of the contract's deliverables. These range from the required 'inception report' (i.e. project approach) at the start of each project and the sometimes-included communication strategies, to project-specific deliverables like assessing the environmental and behavioural impacts of existing taxes (Cyprus) or providing a list of optimal locations where the government can build largescale renewable energy productions (Slovenia). *Appendix D* provides a comprehensive overview of each project's deliverables and underlying tasks.

Beyond the findings that are laid out in the subsequent sections, it is important to comment on the transparency of DG REFORM's work. Firstly, interviews and investigation of each project revealed a wide-range of additional delivery partners that are not mentioned on the FTS: Gaia Consulting Oy and Trinomics B.V. (Finland), the Macedonian Academy of Sciences and Arts (Romania), the Network of Environmental Authorities (Spain), Eunomia and Aspen Consulting (Cyprus), the Institute of the Republic of Slovenia for Nature Conservation (Slovenia), and Transport & Mobility Leuven Consultancy (Slovakia),. Only Trinomics B.V. was included in a consortium for the framework contracts (AARC). The interview with the Slovenian and Finnish Ministries of Environment and the group interview with DG REFORM confirmed that the aforementioned partners can play a key role in implementing the project, and that they sometimes have to take over tasks when the primary contractor is unable to complete them to an adequate standard (Finnish Ministry of Environment, 2026; SG REFORM, 2026; Slovenian Ministry of Environment, Climate and Energy, 2026). Not including them in procurement reporting presents a key transparency gap for DG REFORM.

On the other hand, although the incomplete and inconsistent communication about which parties are exactly involved in executing TSI projects is objectionable, DG REFORM's general transparency on the case studies investigated does deserve recognition. Where literature has often cited complaints about the inability to find out what happened in a governmental consultancy project (Sturdy, 2018, p.78; Sturdy et al., 202, p.185), DG REFORM does publish one or multiple of the project's reports in the majority of cases, sometimes highlighting each step of the process, and even including lessons learned from the process of the project. The key issue is, simply, the lack of consistency. Not only do the case studies analysed for this thesis demonstrate different levels of transparency (e.g. the lessons learned is included in the reports of three out of seven projects), but, as highlighted in the previous chapter, many projects include no explanation or published report. Consequently, individual efforts to ensure transparency ought to be commended, but they are not consistently enforced across projects.

6.1 Reasons behind requesting the service of DG REFORM and the consultancy

Scholars have highlighted a wide variety of reasons for why civil servants decide to procure external advice: (1) easily accessible and scalable (problem-solving) expertise (Kirkpatrick et al., 2023, p.537); (2) political legitimacy through the support of an external, 'independent' contractor (Jupe and Funnell, 2015, p.82); and (3) long-term relations between civil servants and the external advisor (Saint-Martin, 2012, p.456). The case of DG REFORM is particularly unique since it functions as both external advisor (to the Member State) and contractor of external advice (by a consultant in these seven case studies). It is, therefore, firstly valuable to assess why Member States seek DG REFORM's support. Do these motivations differ from regular governmental consultancy hiring? Secondly, it is key to research why DG REFORM, subsequently, decides to outsource their advisory services for Member States to a private consulting firm. This yields **RQ3.1**:

> *RQ3.1: Why did Member States and, subsequently, DG REFORM request a third party for support in the case studies investigated?*

Firstly, all countries interviewed highlighted a capacity constraint as the key reason why they requested TSI support. As Slovenia's Ministry of Environment describes, their renewable energy Directorate was only a small team of thirty staff members. Consequently, they were lagging behind on EU targets for renewable energy deployment and needed administrative support from the Commission to reach EU standards (Slovenian Ministry of Environment, Climate and Energy, 2026). Similarly, in Romania, the Ministry of Energy revealed that it lacked the administrative capacity to implement EU Regulation 2018/1999, which requires each Member State to develop and submit to the Commission a long-term energy strategy (Romanian Ministry of Energy and Ministry of Environment, 2026). Slovakia and Spain closely resemble these motivations, as the former's Ministry of Transport communicated insufficient capacity to meet its milestones of the Recovery and Resilience Facility (Slovakian Ministry of Transport, 2026), and as the latter's Climate Change Office needed support in conducting climate change-related budgetary reviews, required by a multitude of EU policies such as the European Green Deal (Spanish Climate Change Office, 2026). Even Finland's highly developed bureaucracy recognised the potential of DG REFORM in filling a capacity gap it noticed in implementing the DNSH principle that underpinned its EU-enforced National Recovery and Resilience Plan (Finnish Ministry of Environment, 2026).

Given the lack of capacity within national bureaucracies, it is "extremely cost- and time-effective" (Slovakian Ministry of Transport, 2026) that the Commission provides the funding for the technical support and takes care of the procurement process. These factors are echoed by the TSI's mid-term evaluation, in which Member States indicate that financial support (55% of Member States), EU-specific advice (48-54%), and simplicity of implementation (40%) were the main reasons behind their request for support (PPMI and CSES, 2024, p.91). As such, the reviewed case studies illustrate the scholarly argument that external advisors are often engaged with to provide ad-hoc expertise when internal capacity is lacking (Raudla et al., 2026, p.151). However, where private consultants are dubbed 'experts-for-hire' (Howlett et al., 2020, p.84), DG REFORM is an 'expert-for-free', making its services particularly appealing to Member States.

As positive as the TSI, therefore, sounds, the beneficiaries do share one key motivation that requires critical examination: for all authorities interviewed, the need for external support stems directly from a capacity-constraint to meet EU obligations. As such, the EU puts Member States, especially those with smaller bureaucracies, in a position to require external expertise. Although DG REFORM's support in these instances seems to be a sound practice to ensure compliance, when the Commission then procures private consultants to execute the technical support for which it itself has created demand, it effectively contributes to the privatisation of policy advice. These findings on DG REFORM closely align with Marchevska's and Fobé's (2025, p.527) criticism of EU policies driving instead of opposing consultancy hiring among CEE Member States.

Why is it, then, that private companies are hired to help Member States meet EU-imposed reforms? Interviewed beneficiaries confirmed that they had some to no influence on who would become the delivery partner to help them with the reform. Whereas the Slovenia and Slovakian beneficiaries indicated that the delivery partner was solely chosen by DG REFORM, the Finnish Ministry of Environment indicated that it could indicate its preference for a national consultancy to be involved as a sub-contractor, and it was able to co-decide on the final two options. However, ownership over the delivery partner choices remains an issue in some cases, echoed by the TSI mid-term evaluation that also highlights this lack of involvement as an issue (PPMI and CSES, 2024, p.232).

The group interview with DG REFORM and the framework contracts partially explain the reason for selection consultants. Firstly, any economic operator or consortium of operators is allowed to apply to the framework contracts, thus both public and private organisations (SG REFORM, 2026). Selection decisions for the framework contracts were based on four criteria, with the weight of each indicated, respectively, for 2018 and 2022 in brackets: quality of proposed methodology (36% and 42%); organisation of work and resources (18% and 21%); quality control measures and indicators (6% and 7%); and price (40% and 30%) (DG REFORM, 2022b; SRSS, 2019). Taking into account all criteria, DG REFORM then selects the most economically advantageous options (SG REFORM, 2026). It is uncertain how the rejected consortia (four in 2018 and six in 2022) were composed. However, the selection criteria, combined with the fact that all chosen consortia are led by a private consultancy, indicates that consultants either consistently present the best offer to DG REFORM when it uses public procurement, or that they are the only ones to apply.

One can hypothesise that this is because of the very set-up of procurement by DG REFORM. Since it does not procure per project but for general 'structural reform support' in EU Member States, it can easily discourage public-sector research institutes, which often occupy a niche focus, from applying. As an epistemic community, only private consultancies and large-scale international organisations like the OECD possess the breadth of 'expertise' that matches this procurement process. Although they may, subsequently, use public-sector institutes to help with implementing specific projects, they do steer the project, allowing private consultancies crucial influence over DG REFORM's support process and putting it in a position to take on public-sector knowledge from the public organisations involved. Therefore, this section demonstrates that the extensive usage of consultants is not an accidental 'public tender' outcome but, instead, directly caused by the set-up of DG REFORM's framework contracts.

6.2 The roles of consultants and civil servants in TSI projects

As outlined in the methodology, the roles of project stakeholders can be categorised in a two-by-two framework. Partially following Marciano's (2023) categorisation, tasks can, firstly, be divided into substance (writing a policy report) and process (steering a brainstorming workshop) work. Secondly, they can be divided in core and linkage work, i.e. indicating how closely connected the work is to key political decision-making like the creation of legislation and policies. *Figure 9* below captures how many tasks, in the seven case studies analysed, the procured consultant, the beneficiary, and DG REFORM had to complete as part of the project contracts. This section's analysis, therefore, answers **RQ3.2**:

> *RQ3.2: What roles and what influence did DG REFORM allow consultants to occupy in the case studies investigated?*

Importantly, interviews revealed that the beneficiary often does more work than is indicated in the project contract. For example, they may have to spend a lot of time explaining the intricacies of the specific policy context to the consultants or re-doing their work, something that is not included in the contract (Slovakian Ministry of Transport, 2026). However, crucially, beyond the dissemination of project results to the Commission and public, interviewees agreed that DG REFORM has no additional within-project responsibilities beyond what is indicated in the contracts. The specification of within-project means the exclusion of outside process tasks like the project design, the selection of the contractor, and outcome monitoring. This analysis is contained to the work each actor has done to during the projects.

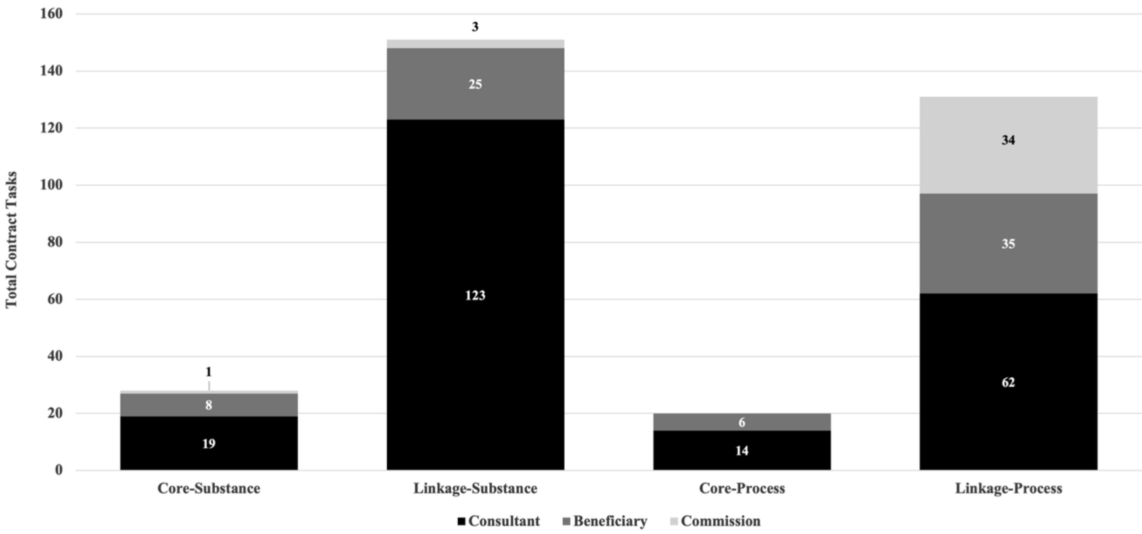

Figure 9: Total Contract Tasks of the Seven Case Studies, Divided by Key Stakeholder

Contract-analysis revealed a total of 225 tasks within 47 deliverables. As some tasks are double coded, either since they are both process and content, or since they apply to multiple actors, the total number of tasks included in the *Figure 9* is 330. As illustrated, the large majority of work, in the seven cases analysed, was completed by the external contractor, namely 218 out of 330 coded tasks (66%). The beneficiary was responsible for 22% of recorded work (74 tasks), although their actual contribution is probably much larger, and DG REFORM was responsible for only 12% of tasks (38 tasks). *Appendix D* provides a comprehensive overview of all coded tasks.

Furthermore, more important than the frequency of tasks is the type of tasks that each actor was responsible for. Firstly, DG REFORM's tasks were almost completely contained to reviewing work (*Linkage-Process*), taking part in oversight meetings (*Linkage-Process*), or providing input in knowledge-sharing workshops (*Linkage-Substance*). Only in Spain did the Commission provide direct input to national decision-makers, through participation in consultations, on how the country should model and take into account the economic impact of climate change expenditures (*Core-Substance*). Secondly, as elaborated upon later, both the beneficiary and the consultant are involved in all four task categories, although the efforts of the latter are more explicitly included in the contracts. This makes sense, since the contracts are an agreement of deliverables between DG REFORM and the consultant, comprising a non-exhaustive list of tasks that the beneficiary has to complete.

This task division further reveals an interesting dynamic between the beneficiary, DG REFORM, and the consultant. Where beneficiaries identify a capacity gap to meet EU obligations, as discussed in the previous section, the Commission does not provide them with direct support. It provides them with a Commission-funded private consultancy and a set of deliverables to be completed, hoping that the beneficiary's capacity gap will be resolved. This approach can largely be attributed to DG REFORM's own capacity constraints. Not only does it not have the internal expertise available to provide support directly, but its structure also sees policy officers oversee multiple projects simultaneously, rendering them unable to do much more than oversee. Consequently, DG REFORM should perhaps not be viewed as a support-provider. Instead, it is more of a funder and regulator of support.

This means that, in the case studies analysed, DG REFORM cannot be seen as providing a true alternative to the governmental use of private-sector consultants. If it was, it would have dedicated more funds, which it currently uses to hire consultants, to invest in its own advisory capabilities. However, the TSI programme may still be considered as providing an additional layer of protection to prevent the undesirable reliance on consultants for key policy tasks. The following two sub-sections will discuss the exact roles that consultants take up in the analysed case studies, illustrating the extent to which DG REFORM functions as an extra safeguard against the privatisation of policy capacities.

Linkage Work

Linkage work refers to tasks that are not directly related to policy-making decisions (Marciano, 2023, p.577). The large majority of the consultancy's tasks (281 out of 329) were coded as linkage work (185 out of 218 tasks). On the substance side, they can include the collection of best practices, such as in Romania, Slovenia, and Poland, the analysis of financial and stakeholder data, such as in Slovakia, Spain, and Cyprus, or the review of national and EU legislation, such as in Finland. These are tasks that do not directly impact or propose certain policymaking decisions, but they do provide information that policymakers can access in their decision-making. In some cases, contracts and interviews indicated that the beneficiaries themselves also did some of this work. For example, in Romania, the beneficiary helped gather information from stakeholders through interviews. On the process side, linkage work can refer to the consultancy organising and preparing an agenda for update meetings, as done across all seven case studies. However, it can also comprise the hosting of a workshop, in which relevant stakeholders discuss key barriers to renewable energy deployment (Slovenia), share knowledge on reliable modelling methodologies (Spain), or evaluate pilot programmes (Finland).

The fact that 85% of consultancy work can be classified as linkage work shows that DG REFORM is largely able to guarantee the independent decision-making of its beneficiaries. However, it is still important to reflect on the purpose and added value of each of these linkage tasks. Which should be outsourced and why? Although answering this question is largely the responsibility of politicians and civil servants, this thesis does aim to provide an initial evidence-based viewpoint on the matter. Namely, linkage tasks can be divided into two categories: specialist and general. When tasks require particular specialism and are not likely to be repeated often, such as the visualisation of climate modelling comparison tools in Spain, one could argue that this can be outsourced, since it is perhaps not worth it to build permanent public-sector expertise on such niche tasks within governments. Nevertheless, the question remains whether a private contractor is the ideal party to then complete this assignment.

However, when linkage tasks refer to key capabilities that bureaucrats should possess, such as the collection of best practices or hosting of stakeholder consultations, one can more critically wonder whether these should be outsourced. In this case, DG REFORM actively contributes to the privatisation of such policy and research capabilities by consistently using private consultants as ‘body shops’ (Bortz, 2026, p.228) to execute the tasks of bureaucrats. When this execution is of such low quality that the beneficiary has to re-do work, as was the case with the legal analysis in the Slovenian case study, the procurement of consultants also undermines the efficiency of the public sector, a feat that the NPM-inspired use of consultants prioritises (Sturdy, 2021, p.322-323).

Core Work

Where linkage tasks may, in some specialist cases, benefit from temporary outsourcing, allowing core work, such as the formulation of policies, to be performed by private consultants is widely criticised among scholars. Firstly, it is considered as democratically harmful to allow such important political work to be done by private actors, because it reduces transparency and transfers political decision-making from elected officials to private ‘experts’ (Howlett and Migone, 2013, p.244; Saint-Martin, 2004, p.206-208; Ylönen and Kuusela, 2019, p.251). Although this thesis is focused on the impact of consultancy usage on bureaucratic capacity, as opposed to democratic quality, it is key to have briefly touched upon this often-mentioned criticism. However, more central to the theme, it also strips politicians and bureaucrats of key policymaking responsibilities, providing room for consultants to form a ‘shadow government’

(Guttman and Willner, 1976, p19) within the civil service that negatively impacts the policy capacities of civil servants (Collington, 2025, p.265).

The seven contracts analysed showcase that consultants took on 19 core substance tasks and 14 core process tasks. On the substance side, these vary from developing a draft Government Decision on Romania's National Energy and Climate Plan and Poland's National Adaptation Strategy, to the creation of draft legislations in both Slovakia and Cyprus. Although, for example in Cyprus, the beneficiary did inform the consultant of their expectations from the legislation (Cypriot Ministry of Finance, 2026), the fact that a private company proposes environmental laws and policies can be considered as a concerning privatisation of policy expertise to which DG REFORM contributes by including these tasks explicitly within the contracts. On the process side, consultants are also tasked to host and moderate events in which policymakers decide upon the consultancy-proposed draft legislation. Similarly, one may question to what extent it is ideal to have a private company lead such debates.

As 98% of beneficiaries indicate TSI support to be useful (PPMI and CSES, 2024, p.71), the potential value-add of DG REFORM's projects is unquestionable. However, in the specific cases analysed for this thesis, the outsourcing of important linkage tasks and core policy work to consultancy firms aligns with previously mentioned scholarly criticism of the undue role that these private advisors can play. In these seven projects, DG REFORM seems to have insufficiently prevented consultants from taking over the responsibilities that bureaucrats should be able to fulfil independently, even actively promoting this transfer of ownership.

6.3 The promotion of public-sector capacity-building

As demonstrated through its procurement choices and contract set-ups, DG REFORM facilitates the privatisation of both core and linkage tasks. Scholars extensively discuss the negative impacts of this phenomenon on the public sector's own policymaking capacities: governments effectively become dependent on private companies to do their work and lose the ability to execute tasks themselves (Head, 2024, p.,157; Raudla et al., 2026, p.156; Ylönen and Kuusela, 2019, p.248-249). However, through an active focus on capacity-building, DG REFORM can obligate consultancies to teach beneficiaries how to execute a similar task independently next time, thus mitigating or even reversing the erosion of bureaucratic capacities. Especially in Member States that do not have highly professionalised bureaucracies, such as CEE countries, civil servants may have never possessed the capacities that scholars claim they would lose if they hired consultants (Marchevska and Fobé, 2025, p.36). In these cases, effective trainings, even when delivered by private advisors, can improve bureaucratic capabilities. As such, **RQ3.3** is:

> *RQ3.3: How did DG REFORM guarantee the capacity transfer from private consultants to the public sector in the case studies investigated?*

The seven analysed contracts illustrate how DG REFORM translates its political objective to 'strengthen Member States' institutional and administrative capacity' (European Commission, 2021, Art. 3) into concrete deliverables. In total, 29 tasks were coded as specifically dedicated to capacity-building. Long-term training materials were created in Romania, Slovakia, Slovenia, Spain, and Finland. Additionally, in Finland, the AARC consortium hosted two one-day seminars for fifty to eighty participants on the implementation of DNSH guidelines, and, in Slovenia, EY's trainings focused on how to create and oversee permitting plans for renewable energy infrastructure. Moreover, in Poland, PwC created an e-learning course on YouTube that discusses how to include external stakeholders in climate adaption policies, and, in Slovakia, KPMG hosted a knowledge-sharing event on cycling infrastructure practices across the EU. Interestingly, no capacity-building tasks were included in the IBF contract on green taxation reform in Cyprus, even though the Cypriot Ministry of Finance needed core substance support on the development of environmental tax legislation, clearly indicating a capacity gap.

Furthermore, interviews revealed mixed success of these training initiatives. In Finland, the beneficiary found Gaia and Trinomics, who were in charge of implementing much of the work under AARC's supervision, highly knowledgeable on both the subject-matter and the project execution, expressing explicitly their satisfaction with the capacities that they gained. On the other hand, in Slovenia, EY's capacity-building work was viewed by the Ministry of Transport as "practically ineffective", especially since it was conducted in English despite the presence of Slovenian officials that did not speak this language and prior agreement that all modules would be delivered in Slovenian. Finally, the Slovakian beneficiary disclosed that they had to spend a lot of time teaching KPMG the basics and details of the national public transport system and regulations surrounding it, suggesting that much of the knowledge flowed from public to private sector, but that it did learn a lot about how to undertake high-quality project management.

Consequently, even when it procures private consultants, DG REFORM demonstrates active efforts to improve the capacity of national bureaucracies. However, its passive project oversight approach and, at times, unfortunate selection of the primary contractor mean that these tasks do not always achieve what was intended. The TSI mid-term evaluation shows that, in 95% of cases, TSI projects improved the knowledge and skills of beneficiaries' staff (PPMI and CSES, 2024, p.50), with 73% retaining these skills a year later (PPMI and CSES, 2024, p.61). The conducted interviews show, unfortunately, that these acquired skills are not always because of the consultant, but sometimes also despite them, since the beneficiaries would have to re-do their work (Slovenian Ministry of Environment, Climate and Energy, 2026).

It is important to briefly mention that DG REFORM, outside of its project work, also organises numerous capacity-building initiatives. For example, funded by the Technical Assistance and Information Exchange (TAIEX) instrument, it organises multi-country knowledge-sharing workshops and conferences, peer-to-peer learning opportunities, expert missions, and study visits, all to enable Member States to learn from each other and from the public-sector experts to which the Commission has access, for example within the OECD (PPMI and CSES, 2024, p.82). Although this chapter evaluates within-project capacity-building, these additional efforts do deserve recognition.

6.4 Chapter summary

This chapter reviewed how DG REFORM contributes to the privatisation or 'publification' of policy capacities. It, firstly, discloses that all seven beneficiaries analysed have requested DG REFORM's support to resolve a capacity-gap that EU-imposed policy changes have created. Given that DG REFORM, subsequently, hires contractors through general, four-year long framework contracts that specifically suit private consultancy firms instead of specialist public research institutes, the DG indirectly promotes the use of consultancy services: the EU creates demand for external support, and the EU then sources this support from the private-sector without involving the beneficiary in the bulk of procurement decisions.

Contract analysis further revealed that 85% of the consultancies' tasks were linkage-work, which, in some cases, provide specialist expertise with potential added value, although this could have also been sourced publicly, and in other cases regular tasks, like best practices collection, that bureaucracies should be able to perform independently. More concerningly, however, consultant also delivered 33 core policy-making tasks, contributing directly to the creation of legislation and policy in four projects. This privatisation of crucial policymaking responsibilities risks further eroding bureaucratic capacities if proper capacity-building is not ensured. Although DG REFORM did explicitly enforce consultants to train the long-term capabilities of Member States in six out of seven cases, the contractors did not always do so successfully.

As such, the hiring and usage of private consultants on TSI projects leave ample room for improvement in order for DG REFORM to meet Criterion 3 and be classified as a successful countereffort against the privatisation of policy capacities. However, it is key to mention that this case study analysis disregards the hundreds of projects for which DG REFORM procured a public-sector delivery partner. These efforts undoubtedly deserve further academic attention to build a complete picture of DG REFORM's work.

7. Conclusions

This thesis set out to provide a literature-based evaluation framework that can be used to assess the extent to which an organisation successfully counters the privatisation of policy capacities to external consultants, aiming to address a key gap in consultancy research. Leveraging a diverse range of data sources and methodologies, it then applied the framework to the European Commission's Directorate-General for Structural Reform Support (DG REFORM), shining a much-needed academic light on consultancy usage within the EU. As both provider of advisory services to Member States and procurer of consultancy services, this thesis found important benefits in DG REFORM's efforts to strengthen national bureaucracies but also crucial gaps in its contribution to the privatisation of policy capacities to external consultants. This chapter summarises these empirical findings and provides policy recommendations (PRs) per analysed criterion. Moreover, it discusses the limitations of this thesis, proposing avenues for further research.

Firstly, Criterion 1 requires DG REFORM's political and legislative framework to oppose the privatisation of policy capacities. Notably, the thesis found DG REFORM to have communicated its ambition to strengthen Member States' bureaucratic capacity 402 times from 2020 to 2024, also prioritising it in the evaluation of its own services. Furthermore, it strictly follows Commission legislation and guidelines that hold the DG accountable for proper service provision, regulate conflicting interests, and forbid consultants from taking part in executive decision-making. On the other hand, whilst acknowledging the will to use internal and public-sector expertise, DG REFORM has also regularly communicated its intent to use private-sector consultants when they offer the best knowledge on the market. Moreover, DG REFORM's projects are not subject to any provisions that specifically regulate the influence that consultants have, beyond excluding them from EU-level decision-making, nor do they provide instructions on how the DG can prevent their usage from privatising national policy capacities. Lastly, the European Court of Auditors found significant gaps in the Commission's oversight on the 'revolving door' and relations between consultants and civil servants, since it largely relies on pro-active, honest reporting by the relevant official or consultant.

An evaluation of DG REFORM's performance with regards to Criterion 1, therefore, showcases notable ambitions and existing efforts but room for improvement. The PRs below provide guidance to DG REFORM and the Commission, as a whole, on how they can improve their political and legislative framework. Crucially, since DG REFORM is subject to regulations imposed at a Commission-wide level, no regulatory PRs are directed at the DG.

> **PR1**: Recommending DG REFORM to publish a communication that explicitly acknowledges the DG's usage of consultancy services, making clear its ambition to prioritise the use of public-sector expertise where available, and informing the public how it aims to ensure that the use of private-sector advice does not lead to a disadvantageous dependence on external consultants.

PR2: Recommending the Directorate-General for Budget (DG BUDG) to revise Article 62(3) of the Financial Regulation, which prevents outsourcing executive decision-making. This article should be expanded to more strongly regulate external involvement in the drafting and creation of legislation, on a European level and on a national level when their involvement is facilitated by DG REFORM.

PR3: Recommending DG BUDG to revise the Vade-Mecum on Public Procurement in the Commission to more explicitly regulate relations between consultants and civil servants beyond the notion of conflict of interest, instructing contracting authorities (DG REFORM in this case) to report on their interactions with external consultants.

PR4: Recommending the Commission's Secretariat-General to expand the Better Regulation guidelines on the use of consultancy services beyond the category of 'evaluations of EU initiatives', such that they also apply to the work that consultants conduct on DG REFORM's projects.

Secondly, according to Criterion 2, DG REFORM should primarily source its external expertise from the public sector. By creating a database of 475 projects, this thesis, however, revealed that 52% of standalone projects between 2021 and 2023, for which the primary contractor is known (414), used a private consultancy firm as primary delivery partner, with DG REFORM spending at least EUR 79 million on consultancy-led consortia in this period. Due to data gaps, it is, though, not possible to indicate exactly what proportion of the TSI budget is spent on consultants: somewhere in between 30% and 72%. Moreover, of all 475 contracts included, DG REFORM decreased its tendency to hire consultancies from 50% in 2021 to 34% in 2023, showcasing significant reduction in its dependence on these companies. Although this feat shows that DG REFORM is actively aiming to source its external contractors from the public sector, its considerable spending on consultants (EUR 79 million) remains an obstacle to calling the DG a truly successful alternative to the privatisation of policy advice and policy capacities (i.e. meeting Criterion 2). As this usage is primarily concentrated in environmental, financial/fiscal, and digitalisation projects, it seems that DG REFORM should concentrate its efforts on reducing consultancy dependency specifically in these policy areas. These findings yield the following PRs.

PR5: Recommending DG REFORM to expand its sourcing of public-sector delivery partners on environmental, financial/fiscal, and digitalisation projects, for example through indirect management contracts with organisations like the United Nations Environment Programme in the case of green reforms.

PR6: Recommending DG REFORM to establish an upper boundary on yearly spending on consultancy-led consortia. Although this bucket should be a minority of total spending for the organisation to be a successful alternative to the privatisation of policy advice, it also needs to be reasonable for DG REFORM to implement.

PR7: Recommending DG REFORM to further improve the transparency of its work reporting by providing project-level financial data when using indirect management, by ensuring consistent coding of projects across platforms, and by communicating publicly how much money is spent each year on private consultancies and why.

Finally, Criterion 3 states that DG REFORM, when it does hire private consultants, should actively ensure that this usage contributes to the publification of policy capacities. Case-study analysis of the seven projects selected, firstly, showcases that their hiring is the result of a capacity gap amongst Member States to implement EU policies and the subsequent hiring of consultants by DG REFORM through framework contracts that are awarded to a small, concentrated group of international consultancy firms. Furthermore, although 85% of consultancy tasks comprised linkage work, many of these were regular tasks like 'gathering best practices' that Member States should be able to execute independently. Where consultancy use can be useful for specialist linkage work for which governmental departments do not need permanent internal capacity, the analysis also found concerning involvement of private-sector consultants in the drafting of legislation in some cases, a task that should remain within the public sector. Finally, DG REFORM explicitly enforced the provision of capacity-building tasks in six out of seven cases analysed, but interviews found varied impacts, suggesting that selecting the right contractor to provide the training is as important as including training tasks in the contract. To sum up, despite efforts to strengthen Member States' bureaucratic capacity through the provision of training material and workshops, its extensive, concentrated, and core involvement of private consultancy firms renders DG REFORM uncompliant with Criterion 3. This conclusion yields the following PRs.

PR8: Recommending DG REFORM to partially move away from general framework contracts and source specialist public-sector expertise through individual project procurement. The expanded use of project-specific grants could provide a great mode to do so.

PR9: Recommending DG REFORM to review and reduce the involvement of private-sector consultants in core policy work like the creation of legislation.

PR10: Recommending DG REFORM to more strongly involve beneficiaries in executing regular linkage tasks, which they should know or learn to implement independently.

PR11: Recommending DG REFORM to more strongly involve beneficiaries in the selection of the contractor and ensure that a national organisation is part of the delivery team.

PR12: Recommending DG REFORM to expand its focus on capacity-building within projects, including a component on how to conduct a similar project independently in the future.

To summarise, it is key to revisit the central research question:

> *To what extent does DG REFORM's technical support successfully counter the privatisation of policy capacities to external consultants?*

Through structured analysis of Criteria 1, 2, and 3, this thesis concludes that DG REFORM showcases, across the board, that it aims to strengthen the policy capacities of national bureaucracies and reduce its reliance on private consultancies. These feats should definitely be recognised and take part in wider discussions on the significant value-add that DG REFORM, through its financing of reform support, can give to Member States. However, insufficiently guided by Commission-wide regulations, it still extensively uses a concentrated number of international consultancy firms, in some cases providing them with access to core policymaking tasks and inadequately overseeing whether capacity-building deliverables truly publify policy capacities. As such, limiting analysis to standalone projects, DG REFORM cannot be considered as a successful alternative to this privatisation of policy capacities.

Reflecting more critically on this thesis, itself, multiple limitations appear, however. Firstly, where analysis of DG REFORM's political and legislative framework is based on publicly available information, the group interview revealed that internal considerations and discussions play a crucial role in deciding why consultancies are hired and to what extent. Larger-scale interview or survey analysis of the motivations of policy officers to engage with private consultancy firms, similar to that of Van den Berg et al. (2015), would further advance literature on the factors that underpin consultancy usage within the Commission. Secondly, the financial analysis only focused on standalone projects in this thesis. This methodological choice, together with the lack of project-level transparency on IM projects, made it impossible to exactly capture how much DG REFORM spends on consultancies. Furthermore, analysis of projects that take place across multiple countries allows for the potential identification of more EU value-add, compared to if the project was conducted nationally. As such, delving into these projects presents a key research opportunity and is, in the latter case, likely to present a more positive case for DG REFORM.

Thirdly, the case-study analysis is exploratory of nature. In the absence of existing research on DG REFORM's consultancy usage, it provides valuable insights on why and how consultants are used by the Commission. Nevertheless, this sample size complicates the external validity of the findings, and more systematic and additional results should be discovered by simply researching more projects or by taking inspiration from the work of Raudla (2013), for example, and conducting field observations. This will yield a more exhaustive image of DG REFORM's advisory services and consultancy hiring.

Finally, given the unexplored nature of both solutions to governmental consultancy usage and the consumption of consultants at the European Commission, and in light of the scope of this thesis, numerous topics could not be touched upon. For example, analysis of whether DG REFORM's work undermines democratic accountability is interesting for two reasons: firstly, as touched upon in the thesis, its consultancy usage can worsen political transparency and accountability; secondly, EU reform support on policy areas, even when private consultants are not involved, may still function as legitimisation of the reforms, thus reducing democratic discourse on a national level. A second research avenue that deserves exploration is the contribution of EU policies to consultancy usage on a national level. Although Marchevska and Fobé (2025) already touch upon the fact that the EU imposes administrative demands which Member States can only meet by hiring private consultants, their analysis is limited to Bulgaria and would benefit from additional contributions on other EU Member States. Lastly, where this thesis focused on DG REFORM due to its unique role as both advisor to Member States and procurer of private consultants, consultancy-usage in other Commission departments warrants further investigation. FTS data shows that especially internationally-oriented DGs, such as the Directorate-General for Neighbourhood and Enlargement Negotiations, extensively make use of external consultants. A focus on EU consultancy usage in external action would, thus, truly advance scholarly understanding of the role consultants play in the European Commission.

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9. Appendices

9.1 Appendix A: European public-sector consulting market

Appendix A explains how this thesis calculated the growth of the European public-sector consulting market through the use of FEACO's annual reports. FEACO has provided yearly reports since 1998 that estimate the size of the total European consulting market and the share that public-sector projects took up. As no report was published for 2006, 2009, 2012, and 2013, these are excluded from the analysis of the size of the public-sector consulting market. Crucially, the last absolute number of the European consulting market is from 2011. After that, FEACO only published how much the market had grown that year – 2012 and 2013 were announced respectfully in the 2014 report. Therefore, taking the 2011 size – EUR 91.5 billion – as a base number, the yearly market growth number, together with public sector's share, was applied in order to estimate the size during the years after 2011.

Furthermore, FEACO estimates the market size through a survey of its national consulting associations. As these do not cover the whole of the EU (they ranged from eight to thirteen countries), their cumulative market size is adjusted by FEACO based on national GDP in order to estimate the total European market size. Both this methodology and the absence of yearly absolute estimates, instead using growth percentages, indicate that the calculated estimates have considerable margins of error. Nevertheless, the overall growth of Europe's public-sector consulting market is so significant (eightfold from 1998 to 2024 when adjusted for inflation) that it seems highly that estimation inaccuracies completely un-do this growth trend. The yearly numbers can be found in the table below (numbers are in EUR billions).

Year	Public Sector Market Size	Total Market Size	Public Sector Share
1998	3.1	23	13.3%
1999	2.7	36	7.6%
2000	3.4	42.5	7.9%
2001	4.1	47.5	8.7%
2002	5.2	46.5	11.2%
2003	7.3	47.5	15.3%
2004	8.6	48.5	17.7%
2005	11.2	64.5	17.4%
2006	0.0	74	
2007	11.3	81	14.0%
2008	9.5	86.7	11.0%
2009	0.0	83.7	

2010	16.1	86.2	18.7%
2011	12.8	91.5	14.0%
2012	0.0	93.3	
2013	0.0	96.8	
2014	13.1	101.9	12.9%
2015	14.1	108.5	13.0%
2016	16.4	116.6	14.1%
2017	17.5	125.7	13.9%
2018	18.0	136.3	13.2%
2019	20.0	146.2	13.7%
2020	20.9	142.9	14.6%
2021	24.8	159	15.6%
2022	27.9	184.6	15.1%
2023	30.7	203.4	15.1%
2024	31.7	211.2	15.0%

9.2 Appendix B: DG REFORM's political objectives

Appendix B demonstrates how this thesis answered RQ1.1 on the political objectives of DG REFORM. Firstly, 25 public documents, comprising 998 pages, were uploaded into Atlas.ti. They were then manually scanned to code paragraphs of interest. Two distinctions were analysed through this content analysis: firstly, whether DG REFORM more often mentions bureaucratic capacity or bureaucratic efficiency; and secondly, whether DG REFORM more often mentions the sourcing of internal, public-sector (external), or private-sector (external) expertise. When a paragraph mentioned both, it would be double coded. The table below provides a few example rows of the 558-row long database. The full database can be accessed within the following Google Drive folder, with the document named 'C1: Political Objectives Database' (*sheet one*):

https://drive.google.com/drive/folders/1wPtKVGLlaBZ1Ud3dKYTCxF5wRif0uP24?usp=sharing

Document	Page	Relevant Paragraph	Code
DG REFORM Legacy Report	2	The work of the European Commission has been instrumental to support Member States at national, regional and local levels. In 2020 the Directorate-General for Structural Reform Support (DG REFORM) was set-up by President von der Leyen and a year later the Technical Support Instrument (TSI) came to life. Reforms have since received a special attention to induce a 'change for the better' and the Commission has activated its support with a special emphasis on EU public administrations to modernise and enhance their capacity to deliver. This was only possible due to a different culture, a different method, and a different type of interaction with Member States; bottom-up instead of top-down, nationally owned instead of centrally imposed.	Q1: intended bureaucracy change: Capacity
DG REFORM Legacy Report	2	The TSI filled the gap for a tool at European level to help Member States implement the reforms they identify, to build administrative capacity, and to exchange best practices across Europe. And over these last years, the TSI has demonstrated a remarkable ability to help Member States to embrace change, respond to challenges, and react to crises.	Q1: intended bureaucracy change: Capacity
DG REFORM Legacy Report	16	As highlighted in the Commission's Communication on the midterm evaluation of the Recovery and Resilience Facility, from "Efforts to improve the administrative capacity of Member States and implementing bodies must continue.... Enhancing the administrative capacity of Member States remains essential."	Q1: intended bureaucracy change: Capacity

Moreover, the evaluation grid, comprising sixty judgement criteria, was divided into focusing on output and efficiency or on thorough processes. The following table captures this coding. It can be found in the same document 'C1: Political Objectives Database' (*sheet two*).

Evaluation Category	Judgement Criteria	Code
Relevance	Member States are still facing challenges identified in the ex-ante evaluation of the SRSP	**Thorough Process**
Relevance	There is a continuous need for technical support from Member States/institutions	**Thorough Process**

Relevance	The TSI meets the needs of Member States	**Thorough Process**
Relevance	Changes in the design of the TSI better reflect the needs/priorities of the Member States	**Thorough Process**
Relevance	The TSI's design is suitable to address the needs of Member States	**Thorough Process**
Relevance	The TSI design is suitable to address urgent and/or unforeseen needs of the Member States	**Thorough Process**
Relevance	The objectives of the TSI are in line with European strategic policy documents	**Thorough Process**
Effectiveness	Lessons learned of the mid-term evaluation of the SRSP and the Impact Assessment Accompanying the document Proposal for a Regulation of the European Parliament on the establishment of the Reform Support Programme have been applied to improve the design of the TSI	**Output and Efficiency**
Effectiveness	The TSI contributes to the strengthening of the individual capacities in Member States	**Output and Efficiency**
Effectiveness	The TSI projects contribute to changes in sectoral policy areas	**Output and Efficiency**
Effectiveness	The TSI projects contribute to the design, development and implementation of reforms and policies	**Output and Efficiency**
Effectiveness	The TSI contributes to changes and developments in Member States (programme level)	**Output and Efficiency**
Effectiveness	The outputs produced during the TSI project were further used by Member States to achieve the aims indicated in the request for technical support (project level)	**Output and Efficiency**
Effectiveness	The TSI projects produced the expected outcomes	**Output and Efficiency**
Effectiveness	The objectives set in the cooperation and support plans are achieved annually (programme level)	**Output and Efficiency**
Effectiveness	The key stakeholders are satisfied with the quality and results of the technical support provided under the TSI (project level)	**Output and Efficiency**
Effectiveness	The TSI contributes to the strengthening of institutional and administrative capacities in Member States	**Output and Efficiency**
Effectiveness	Individual factors are perceived as negatively affecting the implementation of the TSI-funded projects	**Thorough Process**
Effectiveness	Individual factors are perceived as negatively affecting the achievement of the TSI projects' outcomes	**Thorough Process**

Sustainability	Achievements, good practices and lessons learned of the SRSP are used after the support was finished (project level)	**Output and Efficiency**
Sustainability	Outputs of the SRSP projects contributed to sustainable effects	**Output and Efficiency**
Sustainability	National-level indicators related to the impacts of the SRSP are improving	**Output and Efficiency**
Sustainability	SRSP projects are perceived as having long-term impact	**Output and Efficiency**
Sustainability	Individual factors are perceived as positively or negatively affecting the sustainability of technical support	**Thorough Process**
Sustainability	Mechanisms are in place to ensure the continuity and sustainability of reforms initiated under SRSP	**Thorough Process**
Efficiency	Implementation bottlenecks identified in the previous evaluations of the SRSP were addressed to improve the implementation of the TSI	**Output and Efficiency**
Efficiency	The TSI administrative procedures were timely	**Output and Efficiency**
Efficiency	The duration of the project implementation was sufficient to implement its activities	**Output and Efficiency**
Efficiency	TSI is flexible for changing conditions of the project implementation	**Output and Efficiency**
Efficiency	The governance of the TSI is perceived as efficient	**Output and Efficiency**
Efficiency	Delivery methods were suitable for the implementation of projects	**Output and Efficiency**
Efficiency	The administrative burden of the TSI is perceived as proportional	**Output and Efficiency**
Efficiency	Cooperation with stakeholders of the TSI projects was efficient	**Output and Efficiency**
Efficiency	Financial management and control procedures ensured legality and regularity of the TSI expenditure	**Output and Efficiency**
Efficiency	The demand for technical support is satisfied	**Output and Efficiency**
Efficiency	The budget execution is efficient from commitments to payments	**Output and Efficiency**
Efficiency	The TSI projects are cost-effective	**Output and Efficiency**
Efficiency	The annual budget of the programme (per TSI cycle) is proportionate to the requests for support submitted by Member States	**Output and Efficiency**
Efficiency	No obvious inefficiencies or wasted resources in programme management	**Output and Efficiency**
Coherence	There are no clear overlaps between the TSI projects	**Thorough Process**

Coherence	There is complementarity between the TSI and other interventions with similar objectives on the EU level	**Thorough Process**
Coherence	There is complementarity between the TSI and other interventions with similar objectives on regional and national level	**Thorough Process**
Coherence	TSI projects contribute to successful preparation, implementation and revision of RRPs	**Thorough Process**
Coherence	TSI projects contributed to the implementation of REPowerEU	**Thorough Process**
Coherence	The TSI projects address the European Semester recommendations	**Thorough Process**
Coherence	There are mechanisms in place to link TSI projects with the EU priorities	**Thorough Process**
Coherence	The TSI projects contribute to the EU priorities	**Thorough Process**
Coherence	The TSI projects contribute to horizontal priorities	**Thorough Process**
Coherence	The TSI projects contribute to the UN SDGs	**Thorough Process**
EU value added	Technical support similar to the TSI was not available on national, regional or local level	**Thorough Process**
EU value added	The results of the TSI projects could not have been achieved without TSI support	**Thorough Process**
EU value added	There are characteristics distinguishing the TSI from other programmes on national, regional or local level	**Thorough Process**
EU value added	TSI projects enhance the implementation of agreed reforms	**Thorough Process**
EU value added	Similar technical support on national, regional or local level was not available to prepare, amend, revise and implement the Recovery and Resilience Plans	**Thorough Process**
EU value added	TSI projects are facilitating exploitation of synergies across Member States	**Thorough Process**
EU value added	The TSI is perceived as having added value in supporting the twin digital and green transitions	**Thorough Process**
EU value added	The TSI projects contribute to cross-border/Union-wide impacts	**Thorough Process**
EU value added	The TSI projects contribute to the implementation of EU law and policies	**Thorough Process**
EU value added	The TSI projects contribute to the exchange of lessons, good practices and creation of network of expertise	**Thorough Process**
EU value added	The TSI projects contribute to the creation of a community of experts and fostering a continuous cooperation among the Member States	**Thorough Process**

9.3 Appendix C: Standalone projects database

Appendix C shows the project-level financial database that was built for the purpose of this thesis, leveraging country factsheets and procurement data from the Financial Transparency System. The following variables are included per project: year; beneficiary country; project name; policy area; budget (says IM in case of indirect management); delivery partner (primary contractor); country of the delivery partner; yes/no consultancy included; yes/no project report published. Rows are coloured yellow in case of indirect management and orange in case no contract information could be traced. The database is 475-projects long, hence it is again not included within this text. Instead, the full database (*sheet one*), including the calculations performed for the purpose of this thesis (*sheet two*), can be accessed within the following Google Drive folder, with the document named 'C2: Project Database'. The table below again provides a few example rows of the database.

https://drive.google.com/drive/folders/1wPtKVGLlaBZ1Ud3dKYTCxF5wRif0uP24?usp=sharing

Year	Country	Project Name	Policy Area	Budget	Delivery Partner	Consultancy Involved?	Report Published?
2021	Austria	Digitalisation of the Austrian education system	Digitalisation	571,500	AARC	Yes	Yes
2021	Austria	Digitisation of the application of tax law in Austria	Digitalisation	216,950	KPMG	Yes	Yes
2021	Austria	Identification of ominous bank behavior and efficient handling of complaints and enquiries	Finance/Fiscal	460,200	PwC	Yes	Yes
2021	Austria	Strengthening Austria's national economic security and preparedness	Security	375,000	Finnish Institute for International Affairs	No	Yes
2021	Austria	Identifying strategies for the development and implementation of digital-ready legislation	Digitalisation	251,300	PwC	Yes	Yes
2021	Belgium	A Belgian Green Finance Strategy	Environment	276,250	AARC	Yes	Yes
2021	Belgium	Design and implementation of a fiscal rule on expenditure to strengthen the Belgian fiscal framework	Finance/Fiscal	*unknown*	*unknown*	*unknown*	No
2021	Belgium	Modernising the statistical infrastructure of the National Bank of Belgium	Digitalisation	Indirect Management	OECD	No	No

9.4 Appendix D: Case-study analysis

Appendix D provides an overview of the case-study analysis conducted for Chapter 6. It consists of three data components. Firstly, for the seven case studies, the full set of deliverables and tasks of each contract was disclosed after the author placed a freedom of information request with the European Commission. Secondly, a group interview was conducted with six civil servants within DG REFORM (now called SG REFORM). Thirdly, the beneficiary authority was interviewed in four out of seven cases, as only a written reply could be received in two cases, and as Poland rejected the interview, due to a lack of time.

The contract analysis reviews how many tasks can be coded as substance or process, and as core or linkage, how many demonstrate involvement from DG REFORM and/or the beneficiary, and how many are focused on capacity-building (e.g. through trainings). Again, due to the size of the database, it is not included in this text. However, the full contract database can be accessed within the following Google Drive folder, with the document named 'C3: Case Study Database. *Sheet one* captures the contract analysis.

https://drive.google.com/drive/folders/1wPtKVGLlaBZ1Ud3dKYTCxF5wRif0uP24?usp=sharing

Furthermore, *sheet two* provides the interviewee list, interview questions, and detailed notes for the group interview with DG REFORM. Finally, *sheet three until seven* provide the interviewee list, interview questions, and detailed notes for the beneficiary interviews.

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Reducing Reliance on Consultants?

A critical evaluation of the European Commission's DG REFORM as a public-sector alternative to the privatisation of policy capacities

Thomas Willem de Monchy

Abstract

As European governments are increasingly reliant on the support of private-sector consultants, both scholars and journalists have warned that the public sector is losing internal policymaking capacities. This thesis critically reviews the European Commission's DG REFORM as an alternative source of expertise for Member States, shining a much-needed academic light on the EU within consultancy literature. It proposes a three-part evaluation framework that assesses to what extent DG REFORM's political and legislative framework oppose the privatisation of policy advice, how often it uses consultancies itself, and in what way it ensures that consultants contribute to the 'publification' of policy capacities even when they are hired. Triangulating numerous data sources, such as procurement data and interviews, it finds that DG REFORM, in general, aims to strengthen national bureaucracies, use public-sector partners, and focus on capacity-building within its projects. However, in light of numerous regulatory gaps, because the DG's use of framework contracts directly contributes to 52% of its single-country projects hiring private consultancies, and since consultants have taken over core policymaking tasks from national bureaucracies, this thesis cannot conclude that DG REFORM constitutes a fully successful alternative to the privatisation of policy capacities. As such, it recommends the Commission to sharpen regulations, impose limits on consultancy hiring, improve project reporting transparency, and reduce the outsourcing of core policymaking work. Given the narrowed scope of this thesis and due to the methodological constraints that it faced, however, further exploration is needed in order to construct a complete image of DG REFORM.

Key words

European Commission, consultants, New Public Management, outsourcing, privatisation, procurement