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Literally “powerless” discursive coherence versus performed coherence. Policy coherence for development and the EU as a normative actor driving biofuel production in Mozambique

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Abstract

The Lisbon Treaty has made Policy Coherence for Development a legal obligation for the EU, thus the Union's has a clear institutionalised commitment to makes sure that non-aid policies are not undermining the objectives in the development policy. EU's energy policy with the 10% target of biofuels in the transport sector have been a point of great debate. Biofuels have been contested both within the EU and internationally and the EU's policy in this areas has created a surge for land in developing countries in order to meet the demand for biofuels. To analyse the interplay between EU energy and development policy, it is examined how biofuel production in Mozambique, one of the world's poorest countries and receipt of EU development assistaince, is coherent with the objectives for the development policy. Despite a set of sustainability criteria, issues of land rights violations have been occuring in Mozambique and this study shows that there is a discrepancy between the discursive coherence and the de facto coherence in the case of biofuels in Mozambique. This can create loss of the Union's legitimacy as well as undermine the developmental objectives pursued in a developing country.

Keywords: Policy coherence for development, biofuels, Mozambique, legitimacy, energy policy

Word count: 20429

List of abbreviations

ACP – African, Caribbean and Pacific

CAP – Common Agricultural Policy

CCP – Common Commercial Policy

CDA – Critical Discourse Analysis

CEPAGRI - Centro de Promocao Agraria (Centre of Agricultural Promotion)

Commission – European Commission

CPA - Cotonou Partnership Agreement

DG – Directorate-General

ECSC – European Coal and Steel Community

EDF – European Development Fund

EEAS – European External Action Service

EP – European Parliament

EPA – Economic Partnership Agreement

EU – European Union

FP – Foreign Policy

GDP – Gross Domestic Product

GHG – Greenhouse Gas

GSP – General System of Preferences

HC – Horizontal Coherence

HDI – Human Development Index

HR – High Representative for Foreign Affairs

ILUC – Indirect Land-Use change

KP – Kyoto Protocol

PC – Policy Coherence

PCD – Policy Coherence for Development

MGD – Millennium Development Goals

MS – Member States

ODA – Official Development Assistance

OECD – Organisation for Economic Cooperation and Development

RED – Renewable Energy Directive

SADC – South African Development Communities

SEA – Single European Act

VC – Vertical Coherence

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1. Introduction

In the early 2000s, development was put on the agenda with the creation of the eight Millennium Development Goals (MDGs) and the EU has made the achievement of these by 2015 an integral part of its development policy (Pape, 2013). In the same decade, the EU has also taken on a leadership on the international scene for the combat of climate change. In the wake of this, environmental policy and climate change policy have become more and more intertwined with energy policy, which has been materialised by the adoption of the Climate and Energy Package in 2008 (Buchan, 2010). In parallel, discussions on aid effectiveness have been put on the agenda and with its nature of being the bigger donor of development aid, the EU has increasingly been framing the discussion on policy coherence for development (PCD). Since the Maastricht Treaty of 1992 complementarity and coherence between different EU policies have been in focus and with the Lisbon Treaty PCD became a legal obligation (Carbone 2008; Holland and Doige, 2012). Art. 208 TFEU states: “(...) *The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries*”.

It is therefore worthwhile to investigate the relationship between energy and development policy, and consequently, in order to discuss if the EU is following its legal obligation of PCD, the nexus of energy and development policy will be scrutinized. As an example of how energy and development policy are related the thesis will focus on a case study of biofuels in Mozambique. The nature of biofuels is a cross-sectional issue, which includes a lot of different policy areas such as agriculture, energy, climate, and development all with great potential implications for developing countries. The main issues involving biofuels in the context of this thesis are listed below:

- **Renewable energy**
- **Reduction of GHG**
- **Eradication of poverty**
- **Legitimacy**
- **EU as a normative actor**

Besides the legal obligation of PCD, the EU has various fundamental principles to consider in the policy-making. The importance of environmental protection is stated in TFEU art. 11 “[e]nvironmental protection requirements must be integrated into the definition and implementation of the Union policies and activities, in particular with a view to promoting sustainable development”. As an overarching principle, one of the main objectives in the environmental policy is the combat against climate change¹ as stated in TFEU art. 191 “promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change.” The environment thus has a central place in the EU's identity.

The era of the EU's leadership role on the international climate scene began in the early 1990s (Brandi, 2012) and was underlined by the Union's active part in the Kyoto Protocol (KP) negotiations (Kelemen, 2010). Since then the EU has kept its position as a leading actor in the climate negotiations. However, if the Union's climate policies are creating policy incoherence with the development policy instrumentalised through the energy policy and the 10% biofuel target, this acclaimed leadership and legitimacy can be threatened. Accordingly, it begs the question, how a climate norm creator concomitant with being the biggest donor of Official Development Assistance (ODA) can be conducting policies that might be counterproductive for climate change and sustainable development in developing countries. Thus, lack of policy coherence (PC) can raise severe questions of legitimacy as well as concerns about policy efficiency.

1.1. Outline of the thesis

The thesis is organised as follows. Firstly, the the research question and the framework of the thesis is presented, following this, in section 2, there is a literature review on PCD and the general theoretical framework as well as a discussion of the theories of PC applied in the thesis. Finally, section 2 also presents the theoretical use of power as defined by Hurd (1999). In section 3, the methodology of the thesis is presented and its shortcomings are discussed. Following this, the scientific relevance of the thesis is justified. Then in section 5 a historical overview of the EU's development policy and interaction with developing countries is outlines, followed by a presentation of the foundation of the EU energy policy in section 6.

1 Furthermore the environmental policy is based upon the precautionary principle (TFEU art. 191, 2).

The case study in this thesis, biofuels in Mozambique, is analysed in section 7 by examining the context of biofuels as a renewable source of energy and the implications of production of biofuels in Mozambique. Turning to the implementation of the EU's biofuel policy, the Renewable Energy Directive (RED) and its connection to developing countries is discussed in section 8. Following this, section 9 examines the nature of PCD in regards to biofuels in Mozambique. Finally, section 10 provides a conclusion of the analysis and discussions conducted in this thesis.

1.2 Research question and the framework of the thesis

The overall theme for the thesis is PCD – or lack of PC concerning a potential conflict between the Union's energy policy and development policy. I will therefore discuss how different policies interact and influence each other. More concretely: **What are the implications of the energy policy for the development policy objectives?** This raises questions about **the EU as a normative actor** leading to inquiries **of legitimacy**. The thesis will revolve around the research question:

How does the EU's energy policy interact with the Union's development policy? More concretely, how are the implications of the EU's biofuel policy related to the objectives in the development policy "Agenda for Change" in the specific context of biofuels in Mozambique?

1.2.1 Theory and methods

The theoretical framework of this thesis draws on different approaches. The approach is centered around the framework of Carbone, (2008), Nuttal (2005), and Nilsson et al. (2012). Using this as a stepping stone I built further on Stocchetti's on process and outcome coherence by connecting this conceptualisation of coherence with the notion of horizontal coherence (HC). Secondly, Hurd's (1999) theory of power and in a more narrow sense, normative legitimacy, of the EU as an international actor will also be applied. Methodologically the thesis draws on qualitative research strategy with application of the case study method as well as discourse analysis. Discussion of theories and methods will be elaborated further in the following sections.

1.2.2 Empirical material

The data will primarily be policy documents, thus the empirical foundation of the thesis will be the EU's current development policy, *Agenda for Change* and the Country Strategy Paper for Mozambique, as well as the directive 2009/28/EC on the promotion of the use of energy from renewable sources (RED).

The overall goal of the development policy, which is explicitly stated in *Agenda for Change* is to eradicate poverty in the context of sustainable development. The development policy focuses on good governance including human rights and the rule of law as well as improved coherence among EU policies (EC, 2011).

RED has the objective of a 20% share of renewable sources in the EU's energy mix, and more specifically a share of 10% in EU's transport sector should come from renewable sources². The use of biofuels is crucial in order to reach the 10% share in the transport sector. Furthermore the Lisbon Treaty, communications and reports from the Commission will also be part of the empirical material. Secondly an essential part of the empirical material is semi-structured interviews of appropriate stakeholders in Mozambique, which have been conducted during fieldwork in April 2014. These stakeholders include representatives from NGOs, the private sector, the EU delegation in Mozambique as well as the Mozambican Ministry of Agriculture and the Mozambican Ministry of Energy. A list of the exact interviews can be found in appendix 1.

² See directive 2009/28/EC on the promotion of the use of energy from renewable sources.

2. Research overview and theoretical framework of Policy Coherence for Development

The research on coherence has paradoxically not been “coherent”. There has been a narrow focus on certain policy areas and broad and overlapping proposals of a theoretical framework. Generally there has been a focus on the classic cases of incoherence e.g. the Common Agricultural Policy (CAP) (Matthews, 2008), Common Fisheries Policy (Bretherton and Vogler, 2012) or the Common Commercial Policy (CCP) (Azoulay, 2005; Stocchetti, 2013; Jr, 2013). Others have framed this as incoherence in EU’s foreign policy in general (Portela & Leuven, 2012) and the search for coherence as a process of globalisation Mendoza (2007), or coherence as integration of strategies across policies (Steurer, Berger, & Hametner, 2010). Meanwhile CEPS (2006) provides an impressively comprehensive analysis of different areas of external policies such as trade and fisheries to internal policies like research and transport policy. Conversely, other forms of coherence have been analysed for instance internal, horizontal (Solorio, 2011), and institutional coherence (Vieira and Lange, 2012). Simultaneously, conceptualisations and theoretical underpinnings of PC have been proposed by different authors, in particular Nuttal (2005) and Carbone (2005;2008;2011:2013a;2013b). Finally it is worthwhile mentioning Sianes’ attempt (2012) to conceptualise this jungle of theoretical frameworks of PC, which will be discussed in the following.

2.1 A proposal for unwildering the coherence jungle

Sianes criticises that there is no common definition of PCD and despite his visualisation of different types of coherence, it does not add much clarity to the blurry landscape of PCD. Consequently, it only gives an overview of existing definitions and where they overlap. Other studies analyse institutional actors and their influence on the PCD agenda – e.g. the role of the presidency and the effect of the Trio for the promotion of PCD (Vieira and Lange, 2012). Their analysis reveals that alliances between the presidencies, the High Representative (HR), and the President of the European Council can be very beneficial for the promotion of PCD³.

3 Additionally, they assert that coherence can be improved through horizontal coordination via the presidency, which can complement the vertical coherence through the HR and the President of the European Council.

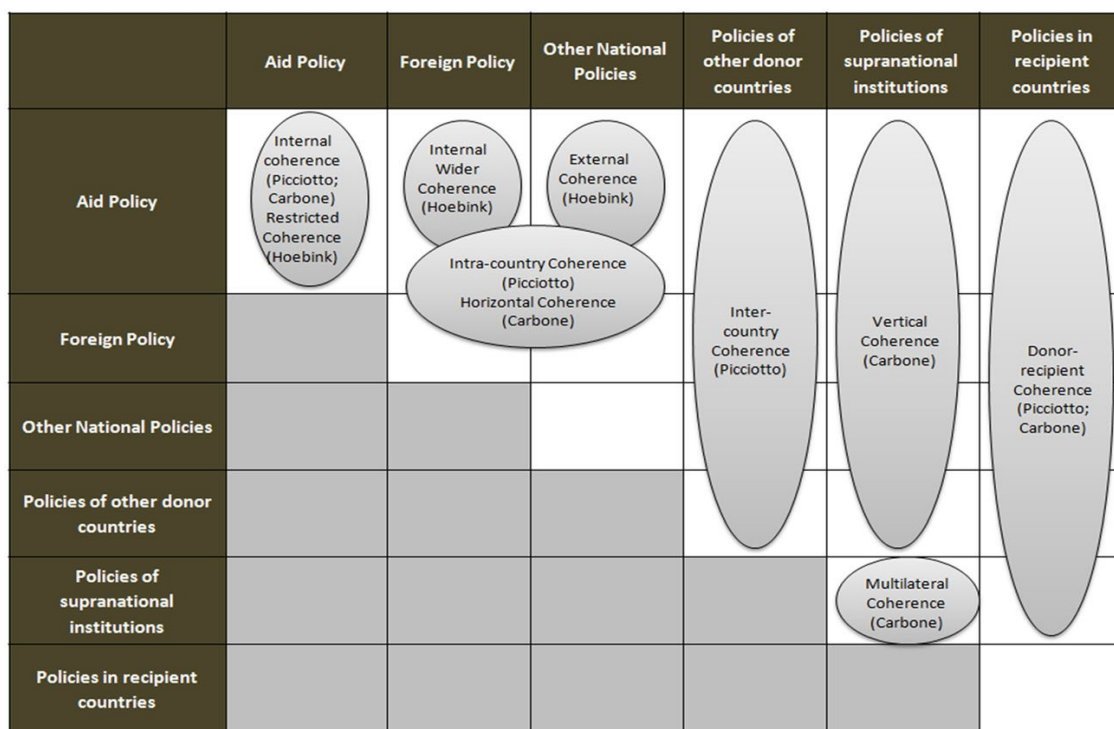


Figure 1. Conceptual map on Policy Coherence for Development. (Sianes, 2013).

As figure 1 above shows many of the designations of difference types of coherence overlap and different authors use different notions for the same phenomenon. Thus, following the literature of PC, internal coherence can cover both coherence within aid policy but also within a greater range of policies as is the case with foreign policy (FP), where development policy is just one aspect of FP. As it is also showed above, HC is used by some, while external coherence covers aid (and FP) versus other domestic policy areas. Lastly with relevance for this thesis is vertical coherence (VC), which Carbone uses for consistency between different levels of governments, which is also called institutional coherence – the latter will be discussed below.

Mendoza (2007) explains the emergence of PCD as a result of the increased globalisation and its policy externalities. The author frames very well the essence of PCD as “What One Hand Gives the Other One Takes” (Mendoza 2007:36) and outlines policy contradictions of the US and EU. Thus, in this case the different policies are not mutually supportive but in fact trade policies are undermining the efforts of the development policies.

2.2 Discussion of the theoretical Framework

PC is an objective that has become increasingly important within the EU as well as its member states (MS), when it comes to governance and policy-making (Nilsson et al. 2012). The concept of PCD originated in the early 1990s within the context of the Development Assistance Committee and gained further prominence with the MDGs (Bretherton and Vogler, 2012). In the same vein, PC is pursued within the agenda of better regulation followed by both the EU and OECD and has been manifested for instance by strategies of sustainable development (Nilsson et al., 2012). Meanwhile, Forster and Stokke with their 1999 publication were the first ones to identify and categorise different types of coherence⁴ in the context of development policy. Hoebink takes this further and applies it to the EU (Stocchetti, 2013).

Consistency (and coherence) is a concept, which has a long history within the EU. Already in 1974 it was mentioned in an official document and to act in a consistent manner was made explicit in the preamble to the Single European Act (SEA) in 1987 (Nuttal, 2005). At this time it was the responsibility of the MS to ensure the observance of consistency alongside the Commission. The MS transferred this obligation to the presidency to become more operational (Nuttal, 2005). Today, consistency and coherence are used interchangeably in most of the literature (Nuttal 2005; Carbone 2008), which is why I will use both coherence and consistency as an expression of the same phenomenon, when these authors are referenced. Nevertheless, I will take this further and built on Stocchetti's framework, where she distinguishes exactly between consistency and coherence. I find this important, since the EU development policy was established as an area within the Union's competence with the Maastricht Treaty in 1992/3, where also the triple C⁵ was created and given legal recognition. These were made into the four Cs adding the principle of consistency with the Amsterdam Treaty in the late 1990s (Stocchetti, 2013; Holland and Doige 2012). Hence albeit used interchangeably in the literature, the EU discerns the three designations (at least on paper), and by explicitly having made commitments to increased policy *coherence* for development.

2.2.1 Different types of coherence – a varied and intertwined landscape

The literature on PC is not coherent but with many overlapping notions of the same phenomenon as discussed above. Nevertheless, Nilsson et al. (2012) identify three main types, that is, horizontal, vertical and internal coherence (Nilsson et al., 2012).

4 The types of coherence proposed can be found in the overview in figure 1 above

5 The triple C denotes the principles of coordination, complementarity, and coherence

However Nuttal (2005) discusses three different types of consistency (or coherence), namely vertical, horizontal, and institutional. This indeed reflects the overlapping of notions within the literature on the framework of coherence theory as shown above with figure 1. Vertical (in)consistency refers to different levels of governance for instance when one or more MS are pursuing policies, which are not in line with the policies agreed in the EU (Nuttal, 2005). Hence, VC is about coherence across different spatial levels of governance. In regards to the EU, this could be EU development policy that either conflicts or is in synergy with development policy at MS level (Nilsson et al., 2012). HC refers to EU policies in general that have different objectives, which have external implications that are not always taken into account (Nuttal, 2005). Some of the most striking examples include agriculture, environment, transport, competition policy, public health, and consumer protection. Although all of these policy areas are domestic in their nature and origin, they can nevertheless have significant impacts outside of the EU in other parts of the world. This incoherence needs to be managed if negative consequences are to be avoided (Nuttal, 2005). Thus, contrary to VC, HC is about coherence at the same level of governance e.g. across policy domains such as transport and environmental policy (Nilsson et al., 2012) or energy and development policy in regards to this thesis. Horizontal consistency implies therefore coherence across policy areas, which means that there should be coherence between different parts of the EU's policies pursuing different policy objectives. Eventually, the policies should at least not be "involuntarily incoherent" (Nuttal, 2005:97). HC will be elaborated further later in this section, since it is the main focus of the thesis⁶.

2.2.2 The nexus nature of coherence

Consistence is not a single phenomenon but instead "a nexus of different problems" to which the solutions are various and not necessarily compatible (Nuttal, 2005:92). Thus, there are inherent trade-offs in dealing with coherence and deciding, what aspects and objectives should prevail at the expense of the other.

⁶ The third main type of coherence identified in the literature is institutional coherence. I will not elaborate on this, since it is not the focus of the thesis and due to space limits. However it can briefly be described as a situation where two sets of actors – Commission and the HR/European External Action Service (EEAS) – are active in the same policy area with different sets of procedures as is the case of the EU's common foreign policy. Hence it can be seen as two different approaches to one and same problem (Nuttal, 2005). This is particularly present in the area of development policy, where both the Commission and the EEAS are institutions with competence in the area. Thus, two different "government actors" have competence to either coordinate, regulate, or implement.

Meanwhile a mistaken assumption about consistency assumes that foreign policy considerations must prevail in case of lack of consistence at the expense of domestic policies (Nuttal, 2005).

On the contrary, Nuttal argues that by giving the domestic policy the upper hand, it might represent a more democratic outcome (Nuttal, 2005:92). Conversely, to give the upper hand to domestic policies can impact negatively on EU's external image – if consistency is not desirable for its own sake, it is nevertheless for the credibility of the EU (Nuttal, 2005). Hence one might not care about potential conflict and inconsistencies between different policies but the incoherence can impair the EU's image, and thus the Union's leverage in the international arena (Nuttal, 2005). I will return to the discussion of legitimacy and the EU later in this section.

2.3 Consistency versus coherence - a theoretical discussion

I will now turn built on the framework developed by Stocchetti (2013) about the difference between consistency and coherence. Overall *consistence* refers to a rather static condition that does not change, whereas *coherence* on the contrary denotes something more dynamic and can be related to *a degree* of coherence as Stocchetti suggests (2013:28). Coherence is thus something that is assessed against something else, that is, in this case whether or not energy policy is coherent with development policy. In this view Stocchetti suggests that coherence can be regarded as a *process* - hence *how* something is achieved. Or conversely, as an *outcome* – *what* has been achieved.

2.3.1 Process coherence and institutional coherence versus outcome coherence and horizontal coherence

Relating this to Nuttal's three types of coherence (2005), the institutional coherence is *process coherence*, since institutional coherence designates a struggle to alignment actions of different "governments" as described above, see footnote 5 – thus it emphasises *how* the coherence is achieved. Therefore, I argue that the institutional structures directing policy-making as well as the treaty articles, which define the Union's actions and competences, the interaction and relations between the different institutions and policies, means that institutional coherence and process coherence are different sides of the same coin. This is because the institutional coherence can be regarded as the process (the lack of coherence can be a result of turf battling between different institutions) towards achieving agreed policy objectives e.g. between the Commission and the EEAS in the area of development policy.

This is a helpful “boxing” in my attempt to categorise the jungle of overlapping concepts in the theoretical framework of PC (for development). Moving further on in the analysis of an apt theoretical framework for this thesis, I will now focus on outcome coherence.

As stated above, this type of coherence focuses on what is achieved and hence it is result-oriented. Concerning energy versus development policy, it relates to the consequences of HC or more specifically for this thesis, how potential incoherence between the two policy areas affect development objectives. This in turn leads to the discussion of the EU’s legitimacy as a normative power, because lack of coherence and consistency can have implications for the Union’s image in external relations. I therefore place HC in the realm of *outcome coherence*. The last point I want to discuss is the concepts of internal and external coherence and how these relate to the other theoretical literature on coherence. Internal coherence as it is presented by (Nilsson et al., 2012) is coherence within a single policy area. This means that within a given policy e.g. development policy or energy policy the objectives should not be contradictory. This can seem as a natural inference, however competing objectives are not uncommon in for instance energy policy. The EU itself has identified how the Union’s policies have a strong impact on developing countries and among those mentioned by the Commission, climate, energy and environment are relevant to this thesis (EC 2011). Conversely, from an internal perspective, the energy policy should with regard to the need to preserve and improve the environment aim at promoting the development of new and renewable forms of energy but the MS remain “the right to determine the conditions for exploiting its energy sources, its choice between different energy sources and the general structure of its energy supply without prejudice to Article 192 (2) (c)” art. 192 (2) TFEU.

This formulation is consequently a manifestation of a materialised internal and institutional incoherence, since the promotion of renewable energy is inherently in conflict with MS' right to “determine the conditions for exploiting its energy sources, its choice between different energy sources”, when having in mind the great amounts of coal that some MS possess and legitimately insist on using. Furthermore, the explicit objective of 20% renewable energy in the energy mix by the year 2020 also has the potential to collide with the MS’ right to choose between different sources of energy. Thus, internal and institutional incoherence are occurring in the EU’s policies as these two examples show.

To relate this to what Nilsson et al. (2012) call external coherence, which denotes coherence between different sectorial policies, the very same objective of a 20% renewable share in the energy mix can be interpreted as “measures significantly affecting the Member State’s choice between different energy sources and the general structure of its energy supply” (TFEU Art. 192.2(C)), thereby granting a veto right to the MS if such measures are occurring. This does not only potentially undermine the achievement of the 20% renewable energy target, it is also incoherent with the main objective of the Union’s environmental policy to combat climate change as stated in art. 191(1) TFEU. Hence a clear incoherence between different sectorial policies exists, thereby constituting a case of external incoherence. The reason why this is a relevant example related to the energy-development coherence nexus, is that this complex relationship, interplay, and inherent connection between environment/climate policy and energy policy have great implications for the EU’s development policy. This is exactly what this thesis intends to investigate by analysing the case of biofuels in Mozambique as a manifestation of what consequences the Union’s energy policy has in the interaction with the development policy in a developing country.

2.4 A level playing field for coherence for development?

The struggle to align two so connected policies as environment/climate and energy, where provisions in the energy policy about the institutional balance and veto power of the MS⁷ ultimately overrule environmental (and energy) objectives even though article 11 TFEU explicitly states that “Environmental protection requirements must be integrated in the the definition and implementation of the Union’s policies and activities in particular with a view to promoting sustainable development”, suggests that coherence for development policy might not be on a level playing field.

This is due to the “locus” of environmental and development provisions, since development objectives are not as strongly manifested as environmental ones, which is shown by the location of these obligations in the Treaty. The provision on environmental protection figures in the very beginning of the Treaty, that is art. 11 TFEU, whereas the obligation on PCD is located much further down – art. 208 TFEU. Moreover, environmental protection is part of some general objectives of the Union, which is not the case for development coherence and additionally the language in article 208 is much weaker than in art. 11 TFEU.

⁷ Iterate art. TFEU Art. 192.2(C) on: “measures significantly affecting the Member State’s choice between different energy sources and the general structure of its energy supply”.

Thus, with environmental concerns being overruled by decision-making provisions in the treaty despite the central location of environment in the Union's identity, makes the prospects of balancing energy considerations with developmental ones weak.

PCD can be understood in two ways as Ashoff suggests (2005). The first one is a positive one, where coherence between development and other policies can generate synergies and thus, a possible win-win situation with a solution for different policy objectives, which are mutually reinforcing each other. The other is on the contrary more negative, since Ashoff suggests that PCD simply means an absence of incoherence that occur when other policies impair the effects or even are counterproductive to the development policy either accidentally or deliberately. This negative understanding of coherence relates to what Nuttal defines as an attempt to ensure that policies should at least not be "involuntarily incoherent" (Nuttal, 2005:97). This negative understanding also frames the situation of trade-offs between different policies determining which policy should prevail in the end - that again can be linked to the intentional incoherence, which will be elaborated below.

Building further on this, I will link it with what Hoebink (2004) calls intentional and unintentional incoherence. The latter occurs when policy-makers are not aware of the effects a certain policy has on the development policy, and this can be due to lack of coordination and information, or simply that the policy context is so complicated that it is impossible to know potential negative impacts of a certain policy on the development policy. The former (intentional incoherence) occurs, when policy-makers act intentional by accepting an incoherence i.e. negative impacts of energy policy on development policy, because it is believed that the positive impacts are more important than the negatives ones. Thus, the intentional coherence is a trade-off between objectives in two different policy areas. If intentional incoherence is prevailing in development policy due to inter alia its weaker status as discussed above, it suggests that PCD does not operate in a level playing field when development objectives compete or collide with objectives in other policies.

Stocchetti focus on "how coherence works **for** development" (2013:33) by analysing the interplay between EU trade policy and development policy. This seems like a natural starting point for her analysis, since the EU has developed Economic Partnership Agreements (EPAs) with several countries in the African, Caribbean and Pacific (ACP) regions and promotes initiatives such as *AidforTrade*.

The emphasis on “**for**” implies a synergy and a mutually reinforcing situation, where both policies benefit and neither has the upper hand. Hence this framing of *AidforTrade* articulates a level playing field solution. In contrast this is not my starting point, since my point of departure is not trade policy and its related discourse⁸ as mentioned above. My focus is energy policy, which by its nature as an internal policy (in contrast to the trade policy,) may seem as the not so obvious part of the coherence nexus – development versus energy.

The concept of PCD is inherently politically sensitive, since it implies an assessment of the impacts of non-aid policies on the objectives of development policy (Stocchetti, 2013). This is why it becomes pertinent to also discuss the role of the EU as a normative actor and the Union’s legitimacy in the international political arena. I will present a useful theoretical framework for norms and legitimacy concerning the EU in the following.

2.5 Norms, legitimacy, and the EU as an international actor

Studies of the EU have increasingly focused on the ideological or normative aspects of the Union’s external relations (Stocchetti 2013; Rosamond 2014). These studies claim that the true power of the EU is its ability to project its norms and values, which then leads to a redefinition of what can be deemed normal, acceptable, or preferable in the international arena and indeed in the context of global governance. Meanwhile, it is important to note that this normative transfer is not by its nature necessarily good. Some norms, values, and practices that are being legitimated can also be detrimental (Stocchetti 2013).

2.5.1 Coercion, self-interest, and legitimacy as different types of power

There are traditionally three types of power and Hurd (1999) categorises these three ideal types as coercion, self-interest, and legitimacy. In places where rules or norms exist compliance with these norms and rules by one or a combination of the different types of power will occur (Hurd 1999). These *places* can for instance be the international area in which the EU interacts with third countries. I define legitimacy like Hurd suggests, where legitimacy refers to “the normative belief by an actor that a rule or institution ought to be obeyed”. Legitimacy is thereby a “subjective quality, relational between actor and institution, and defined by the actor’s *perception* of the institution” (Hurd 1999:381).

⁸ I will return to the concept of discourse in the methodology section

This perception can originate from the procedure or source by which it was constituted or from the substance of a rule. Applied to the EU, this means that Mozambique may find the EU a legitimate actor in the biofuel sector – or in general – because of a substance of a rule e.g. the sustainability criteria for biofuels in the RED. Or the perceived legitimacy can stem from the source – the EU as a leader in the climate arena or as the biggest donor of ODA – or from the procedure, which can be how the EU and Mozambique agree on the targets and objectives in the country strategy paper for the development cooperation between the EU and Mozambique. However, it is important to underline that a normative conviction of legitimacy does not automatically result in abiding of a law or rule. In fact the contrary is often the case, meaning that a certain normative conviction can lead to non-compliance of a rule or law (Hurd, 1999).

2.5.2 Coercion as a source of power

Hurd defines coercion as “a relation of asymmetrical physical power among agents, where this asymmetry is applied to changing the behavior of the weaker agent. The operative mechanism is fear or simple “compellance”; fear produces acquiescence” (Hurd 1999:383). Thus, an actor simply obeys a rule, because the coercion creates a fear of punishment from the stronger actor. Coercion is a relatively simple form of power and social control, and does not in general produce voluntary compliance (Hurd 1999).

2.5.3 Self-interest – a softer way

This form of power is based on the assumption that compliance is in the actor's self-interest (Hurd, 1999). This suggests that compliance is a result of a “cost/benefit analysis” of non-compliance versus compliance. Therefore, the agent with the upper hand governing the relation should provide incentives for compliance of a certain norm (Hurd, 1999). Self-interest thus, implies a self-restraint actor. This self-restraint comes internally from the actor, which is the difference between self-interest and coercion, where in the case of coercion, the restraint is external (Hurd 1999). Hence, if the power, the EU exercises over Mozambique, is based on self-interest from Mozambique's side, the self-restraint comes from Mozambique internally, because the country sees it as in its own self-interest to comply with certain norms or rules.

2.5.4 Legitimacy the third source of power

Here the compliance of a rule originates from the belief in the normative legitimacy of the rule – or in the body, which created the rule. As suggested by Hurd (1999:387) legitimacy can be defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within (...) [a] system of norms, values, beliefs, and definitions”. Thus, compliance is motivated by an internal reason for the actor to follow a certain norm or rule (Hurd, 1999). The operationalisation of legitimacy lies in the internalisation of an external standard by an actor. This means that the understanding of what is the actor’s own interests is constituted partly by an outside source, which can take the form of rules, norms, standards, or laws. Thus, the power of legitimacy in its pure form, is when an actor complies with a legitimate rule, which goes against the actor’s own interests. However, the actor does not perceive that there is a conflict between its interests and obligations, because a norm or rule has affected the definition of the actor’s interest (Hurd, 1999).

The relation between coercion, self-interest, and legitimacy is complex and each of them is to some extent connected to the other and is found only rarely isolated or in its pure form (Hurd, 1999). There is no reason for assuming coercion rather than legitimacy as a source of power and vice-versa. Therefore, it is necessary to “replace assumptions with careful analysis and observation” (Hurd, 1999:392). Conversely, it is important to be aware of the fact that simply complying with a norm or rule does not mean that the compliance is a result of legitimacy. It could also be a result of coercion or self-interest. Hence, just because Mozambique is complying to norms of good governance does not mean that the country perceives the EU as legitimate. Mozambique could also feel coerced to comply – or see it as in its own interest. To investigate from which power mechanism compliance stems, one needs a methodology, which can interpret the motives for the compliance rather than measuring the compliance itself (Hurd, 1999). Along these lines, Hurd argues that a great deal can be learned from the actor’s use of language (1999). This means that a discourse analysis can be a helpful methodological tool, and discourse analysis will therefore also be a part of my methodology – this will be presented below in the coming section.

3. Methods and research design

The imperative of an apt methodology is underlined by Martínez “The link between theory and practice is underpinned by method, which comprises the necessary tools to extract data from the analysis of the text” (2007:126). The chosen method for this thesis is the case study method as well as discourse analysis. The data will be collected through qualitative methods through semi-structured interviews. A justification of the different choices will follow. Finally, there will be a short critique on the chosen methods. The empirical data consists of two different components, namely discourse analysis of policy documents and semi-structured interviews. This two-fold approach is called triangulation and is used to increase the validity of the research. In particular triangulation is one of the strengths of the case study methods (Adcock and Collier 2001). Triangulation means that the researcher uses more than one method or source of data, thus by complementing each other, the different sources of data give greater confidence in the findings (Bryman, 2012). Therefore by observing the studied phenomenon from multiple perspectives, triangulation is achieved (Neuman, 2011).

Bryman (2012) identifies differences between quantitative and qualitative research. Whereas qualitative research is characterised by *words*, viewpoint of the *participants*, the researcher is *close*, the research is a *process*, data is *rich and deep*, *micro* setting, it is *unstructured*, the understanding is *contextual*, the focus is on meaning and the settings are *natural*. In this regard, I will consider some of them important to why I have chosen a qualitative research approach. All of these concepts are applicable to my research. First of all there will be a strong focus on words, since policy documents and interviews are key sources of data. The setting is both micro and natural, the latter since it takes place in Mozambique, where I as a researcher go to the stakeholders’ environment and conduct part of the data collection. The former (micro) again due to the location of Mozambique but in terms of Mozambique as only one country in the big context of ACP countries, with which the EU provides ODA. The micro aspect is also prevalent in regards to the specific issue of biofuels in the case study. Energy policy covers an array of different aspects and policy measures but the thesis focus on biofuels in Mozambique.

3.1 The case study method

The chosen research design is the case study method. This particular research design is chosen due to its applicability of the research question. A case study can be defined as “*an intensive analysis of a single unit with an aim to generalize across a larger set of units*” (Gerring, 2004:341).

In particular a case study focus on the complexity and the special nature of the case in question (Bryman, 2012). In the same vein the qualitative case study methodology provides tools to study complex phenomena within their contexts (Baxter and Jack, 2008).

This is an apt design for my research question, since I wish to investigate the interactions and interlinkages between the EU’s energy and development policy. My specific case is Mozambique, where the EU has highlighted biofuels as an important component in the Mozambican energy sector in the EU’s development cooperation with the country.

3.2. Advantages of qualitative research applicable for this study

The chosen research question is in its nature qualitative, since I aim to examine *to what extent* the EU’s energy policy influences the development policy and thus, it is a *how* question in a qualitative sense and not e.g. how many policies areas the EU’s energy policy potential influence, which is more of a quantitative research question. Yin (2003) emphasises that case study is applicable, when the focus of the study is to answer *how* and when the researcher wants to cover contextual conditions because s/he believes they are relevant to the studied phenomenon. While quantitative data provide valuable information about for instance the profile of poverty over time and space, qualitative data are necessary to gain a better understanding of dynamics of a certain issue (Tvedten et al., 2013) e.g. in the relation between EU energy and development policy in this case. This qualitative nature of the research question suits case study methodology well and allows to assess *how* rather than a quantitative measure of *how much* (George and Bennett, 2005). The aim is not to make generalisations over broad populations implying that the findings can be applied to conflicts in other kind of policy areas; rather the kind of generalisations, which possible could be drawn relates to how a policy similar to energy can influence the development policy. Instead, the objective is to analyse the dynamics, which cause incoherence between two complex policy areas with multiple actors and interests such as development and energy policy. Meanwhile, the aim is nevertheless that the findings are also generalisable for other ACP countries, with which the EU has development cooperation and thus, the findings can be applied to similar cases.

The characteristics of a critical case have a well-developed theory and the case is chosen, since it will enhance the understanding of the circumstances connected to a potential hypothesis (Bryman, 2012). In this thesis biofuels in Mozambique constitutes a critical case, because it will give a better understanding of the circumstances in which there is a potential lack of PCD. Meanwhile the chosen case also has features of what Bryman (2012) describes as the typical or representative case. This type of case encompasses the circumstances and conditions of a commonplace situation. For Mozambique this holds very much true as the country is located on the African continent, which the EU focuses most on. Furthermore the emergence of a biofuel sector is highly prevalent in Eastern and Southern Africa.

Validity is one of the most important criteria of research (Bryman 2012). In this thesis the validity is strengthened by the use of triangulation. One type of triangulation is method triangulation, where more than one method is applied (Neuman, 2011). In the case of this thesis besides the case study method, I also use Critical Discourse Analysis (CDA), which will be elaborated below. External validity is concerned with generalisation beyond the specific research context. This means that in order for my research to have such external validity it must be applicable to other policy areas. Although external validity is most often connected to quantitative research (Bryman 2012), my aim is to achieve external validity through the research design and use of theory in order to make the context-specific area of energy versus development policy, generalisable, that is, it is applicable to other policies similar to the nature of energy, which might influence the EU's development policy. This is important, because the number of policies that potentially can influence the development policy is high, and it is therefore appropriate to conduct a study that to some extent is generalisable.

3.3. Discourse analysis as a method for interpreting politics

Jørgensen and Phillips (2002:3) define discourse as “*a particular way of talking about and understanding the world (or an aspect of the world)*”. Discourse theory and method thus deal with how certain aspects are perceived or framed. This is a useful methodological approach for the analysis of policies and potential synergies or conflict, especially, for a normative policy area as development. Jørgensen and Phillips (2003) present three main branches of discourse theory and method, however for the purpose of this thesis I will only use CDA.

One of the founders of the theories behind CDA, Norman Fairclough, has used CDA to study mass-communication, democracy, and politics. Thus, with its nature, CDA is regarded to be an apt methodological approach for analysing the legitimacy of the EU as well as PCD. Following Fairclough's reasoning, the concept of discourse can be applied in three different ways. The first one is the most abstract one, where discourse is language use as social practice. This means that discourse is both constituted – it is relational, to put it in another way it is shaped by its surroundings – and it is constitutive, which means that it shapes its surroundings. One step up the ladder of abstraction, discourse refers to a certain language used in a specific field for instance in politics that has a special political discourse. The last use of discourse applied by Fairclough is in the very concrete manner, where discourse is simply the word, thus it is a way of speaking that gives a meaning to an experience from a particular perspective e.g. neoliberal or environmental discourse. Discourse therefore contributes to the construction of systems of knowledge and meaning, social identities, and social relations (Jørgensen and Phillips, 2003). Following this, discourse is the language associated with a particular practice or social field (Fairclough, 2013).

Another way of framing discourse in relation to politics and social life is to frame it as policy-as-discourse. The argument underlying policy-as-discourse “is that issues get represented in ways that mystify power relations and often create individuals responsible for their own ‘failures’, drawing attention away from the structures that create unequal outcomes“ (Bacchi 2000:46). Thus the power of language and framing policy within a certain discourse are significant. Martínez (2007) emphasises the power of language for social life by asserting that the link between language and social matters makes language a tool, which challenges power and expresses differences in hierarchical social structures. Following this, the characteristics of policy-making is widely recognised as being problem-solving, which CDA addresses (Fairclough, 2013). This is important, since development EU policy has a specific goal of eradicating poverty (thus solving the problem of poverty) and for the energy policy the promotion of renewable sources is a goal (thus solving the problem of climate change).

3.4. Critique and reflection on the limitations of the chosen research methods

One reoccurring critique of qualitative research is that it is too subjective. This is related to the nature of qualitative research, where the researcher is often close to the subjects studied maybe with close personal relationships.

Moreover it is also linked to the “unsystematic” view of what is important and carries significance, compared to the structured often positivistic nature of quantitative research (Bryman, 2012: 405). A way of dealing with the critique of being unsystematic is to incorporate the features of quantitative research, which have a strong systematic aspect such as stating the formulation of the problem in terms of the existing literature and key theoretical ideas on the topic. This is what I have attempted with the literature review and by outlining the theoretical framework of policy coherence in the existing literature. Although this is not a real quantitative feature of research, it is an attempt to have a systematic starting point for analysing the case i.e. of having a clear theoretical framework, which I apply to the empirical data. Thus, an effort is made to answer some of the critique that could be voiced against qualitative methods.

An additional important critique of qualitative research is that it is hard if not impossible to replicate (Bryman, 2012) Due to the unstructured nature of qualitative research, there are often no standard in the data collection, which can be followed in an attempt to replicate the findings. Furthermore, the interpretation of the data will be influenced by subjective learnings of the researcher and in the situation of the interview, the researcher’s age, gender or personality might influence the respondent, which then will be different if another researcher tries to replicate the study (Bryman, 2012). Thus, the validity in field research steams from the analysis of data as an accurate representation of the social world in the field – here Mozambique. Furthermore, replicability is not a criteria, since field research is almost impossible to replicate 100% (Neuman, 2011). In the same vein, the interviewer her/himself can also create a bias arising from expectations about the age or race of the respondent (Neuman, 2011). It is therefore crucial to reflect on my findings as well as what implications of the particular interview situation have for the research and the findings’ validity.

Another limitation connected to the nature of interviews is the language barrier. Since I do not speak Portuguese the interviews were conducted in English, which is neither my mother tongue nor the interviewees’. The language barrier did cause challenges during two of the interviews, which meant that I had to rephrase my questions in a simpler wording, because the interviewee simply did not understand the question fully. In this situation I was very much aware of the potential bias such a situation can create and I was very careful to rephrase the question in a way that it was still an open-ended question and not “putting the words in the mouth” of the interviewee.

Nevertheless my appearance of a researcher from Northern Europe investigating biofuels also has potential to influence the answers I received. Many of the persons interviewed seemed very used to it and thus, they might have given me routine answers, because they have been interviewed many times before “and know what the people from Europe want to hear”. However, it is very important to note that this was not my impression, since every person interviewed took their time to answer the questions and seem genuinely interested in giving their organisation’s perspective on the matter. Although this is my impression from the fieldwork in Mozambique, the above mentioned limitations should be taken into considerations of methodological limitations of this thesis.

4. Scientific relevance

There have been a lot of discussion on PC in the EU external relations, however these discussions have mainly been limited to the foreign policy and the EU's ability to speak with one voice (Carbone, 2008). Thus, the focus has been on institutional or VC from a theoretical perspective. This thesis will conversely focus on horizontal and outcome coherence and how a potential incoherence can have implications for the EU as a normative actor. Through out the analysis, I will introduce and discuss the concepts of what I call discursive coherence and performed coherence. What lies in the gap between the two is a discrepancy of what the EU claims and might be perceived to do and what it actually does. The issue of policy coherence for development is intriguing not only because the EU is the world's largest donor of ODA, but also because the EU is a venue in which many policies are decided that affect developing countries (Carbone, 2008). Thus, with the debate on aid effectiveness and less than a year to achieve the MDGs, which the EU has made a cornerstone of its development policy, it is pertinent to investigate the degree of PCD exercised by the EU.

Trade has been the main focus as a policy area, which can have great effects on developing countries, both positively and negatively. There are many reasons for this e.g. the Doha round which has come to a halt, and the EU's focus on Aid for Trade constitute such examples of the political context. Most recently in academia a whole special issue has been devoted to the trade and development nexus⁹. Nevertheless, it is pertinent to examine other policy areas, which can have great impacts on developing countries as is the case with the EU's internal energy policy and the target for biofuel in the context of climate change mitigation. The crucial importance of energy has also been identified internationally by the UN (UN, 2013). Hence these energy initiatives reflect why it is so important that energy policy does not undermine development policy objectives but in turn actually facilitate the eradication of poverty. Moreover, the development of renewable energy sources has the potential to create positive economic as well as environmental benefit concomitant with negative impacts on food and equity, which in turn create significant trad-offs between food, energy and environmental goals (McCornnick, Awulachew, and Abebe, 2008). Synergies often goes hand in hand with conflict e.g. synergy between sugarcane and energy, while conflict with food and livelihood (McCornnick, Awulachew, and Abebe, 2008). This makes it pertinent to investigate biofuels in Mozambique from a nexus perspective i.e. energy-development policy, and the nexus perspective is also crucial for the assessment of PCD between these two policies.

⁹ see Contemporary Politics 2014, 20 (1)

5. The beginning of a long cooperation – a historical overview of the Union’s development cooperation with third countries

The origin of European development aid goes back as far as the Union itself. When the six founding members signed the Rome treaty in 1957, there was already a section on the ACP countries – at that time the newly independent colonies of France in particular (Holland and Doige, 2012; Orbie, 2012). France wished to protect its relationship with its colonial dependencies, whereas other MS with the Netherlands and West Germany being the most the critical ones, were reluctant to involve to Community in external affairs, which seemed to be more French external affairs rather than *common* external affairs. Nevertheless the French succeeded in the negotiations and provisions for so-called association for all dependencies were included in the Rome Treaty. This meant that a contractual treaty-based relationship created the basis as well as the rationale for the later development aid that have been arranged through the Yaoundé and Lomé conventions and the current Cotonou Partnership Agreement (CPA) (Holland and Doige, 2012). Consequently, the EU and the ACP states have enjoyed a unique contractual development partnership the last six decades (Pape, 2013). These legally binding contractual agreements have also been referred to by some as a special privilege of development assistance, trade cooperation, and political dialogue (Gomes, 2013). The foundation of the Yaoundé Convention was the recognition of the national sovereignty of countries taking part in the agreement. It included preferential trade arrangements between the European Community and 18 – primarily francophone – countries. The Yaoundé Convention had three unique characteristics for the time. It was a multilateral framework, it comprised joint institutions and it had a comprehensive character. Hence, the Convention gathered a range of separate development policies under a single integrated framework. and was the first example of a common contractual basis for the relations between the industrialised world and the developing world covering technical assistance, trade preferences, financial aid as well as investment and capital movements (Holland and Doige, 2012).

5.1. The current landscape of development aid

The adoption of the MDGs by 189 members of the UN put a global focus on poverty reduction (Pape, 2013) and the UN Millennium Declaration underlined PCD as a means to achieve the MDGs (Bretherton and Vogler, 2012). In May 2012 a new approach to development was adopted by the EU. This was done in a context of the rapidly changing global environment and aimed at achieving a greater impact of EU aid. This policy document is *Agenda for Change*. (Pape, 2013).

Today the CPA is the centrepiece of the EU's development policy towards the ACP countries. It differs significantly from its predecessors that focused on preferential trade-aid programmes, which were applicable to the ACP states uniformly. Conversely, the CPA has three explicit goals i.e. trade liberalisation, regional and economic differentiation, and political conditionality – respect for human rights, democratic principles as well as the rule of law are all essential elements of the cooperation (Dinan, 2010). EU is promoting regional integration under the assumption that what has been good for Europe must also be good for other regions in the world (Dinan, 2010). Moreover, the differentiation applies both geographically and economically, the latter on the basis of a country's level of development and ability to withstand global competition. This is why the EU has engaged in EPAs with different ACP countries. In the wake of the EPAs, which were contested by some NGOs and ACP countries, the EU launched its *Strategy for Africa* in 2005, which had the intention of developing a comprehensive, integrated, and long-term framework for the relations between the Union and the African continent (Dinan, 2010). Reduction of poverty and its eventual eradication consistent with the objectives of sustainable development and the integration of the ACP countries into the global economy is the key objective (Gomes, 2013).

The EU and its member states are collectively the biggest donor of development aid in the world (Carbone 2008; Dinan, 2010). However it is important to note that some countries contribute more than the EU itself (Carbone, 2007; Dinan, 2010). The Lisbon Treaty made development policy an area of shared competence, which means that the EU can carry out activities as well as conduct a common policy but that this should not prevent the member states of exercising their own competence¹⁰ (Dinan, 2010).

5.2. Legitimacy of development policy channelled through the EU

Criticisms of EU development assistance have emphasised the lack of unity in EU ODA. It has often been articulated that the nature of EU aid is 28 +1 (after the accession of Croatia in July 2013), implying that the Commission is only filling the gaps or simply duplicating the actions of the member states (Holland and Doige 2012).

¹⁰ TFEU art. 2 (2) "When the Treaties confer on the Union a competence shared with the Member States in a specific area, the Union and the Member States may legislate and adopt legally binding acts in that area. The Member States shall exercise their competence to the extent that the Union has not exercised its competence. The Member States shall again exercise their competence to the extent that the Union has decided to cease exercising its competence"

Conversely, the Commission itself sees its role as exactly the body, which ensure a coherent and efficient approach between the different actors and development policies, and thus its role is crucial in the coordination of the medley of development cooperation and is not just an appendix to the development assistance of the MS (Holland and Doige 2012, EC, 2011). Along these lines others have argued for the comparative advantage of the EU in the development field due its relative economic and political neutrality, the greater geographical spread of aid, the ability to marshal great amounts of financial assistance (compared with each individual MS) as well as the long-term security and predictability ensured by the legal framework of the Lomé Conventions and CPA (Holland and Doige, 2012).

The principles of complementarity, coordination, and coherence were given legal recognition in the Maastricht Treaty and the following Amsterdam Treaty added consistency to the list, thus Legally PCD was introduced in the Maastricht Treaty and it was further strengthened with the Lisbon Treaty (Carbone 2008; Holland and Doige, 2012). These principles have been framed as the “Four Cs” and their introduction during the 1990s must be seen as a response to the acknowledgement that the existing policy framework for the EU’s development assistance had been inadequate to solve the challenges meet by third countries and promises made by the Union (Holland and Doige, 2012). During the years, the EU development policy also became more political. By the beginning of the 1990s with the ratification of the Maastricht Treaty and Lomé IV respectively in 1993 and 1990, the former gave development cooperation a legal basis with the treaty framework confirming a shift towards a more political dimension. The latter introduced the promotion of democratic principles, the rule of law, and human rights as part of the preferential trade agreements (Gomes, 2013) . This move towards subordinating development cooperation to trade and political interests was further strengthened with the entering into force of the Lisbon Treaty in 2009 and the introduction of the HR. The EU has since regarded the reduction of poverty and the promotion of human rights, democracy, and peace and security as different sides of the same coin (Gomes, 2013).

5.2.1. Coherence

Since coherence is the focus of this thesis and due to space constraints, I will only discuss the coherence part of the “Four Cs”.

The principle of coherence was introduced to ensure that every area of EU policy-making were to be compatible with the EU's development objectives (Holland and Doige, 2012). Notwithstanding these ambitious commitments of the "Four Cs" and in particular the principle of coherence, it is not merely the external policies, which can show obstructive to development objectives by having competing or contradictory objectives. The internal policies connected to the internal market can also produce unintended consequences for third countries. Whether or not the EU's internal policy-making have unanticipated consequences, which compete or undermine development objectives, there are clear trade-off to be dealt with in such situations, which was also discussed above in the section on theoretical framework for policy coherence.

5.3. Conditionality and the transfer of norms

The EU has based its development assistance on conditionality – both political and economic. This means that the recipient countries must adhere to a set of principles and/or show some progress towards achieving a society underpinned by these principles. Central to them is that they constitute the core of the European idea of itself insofar the Union is built on them. The principles are materialised in a set of dichotomies such as internal/external supervision, political/economic aspects, and positive/negative applications (Holland and Doige, 2012).

The so-called London Report from 1980 articulated for the first time that the EU should become an international actor that shaped international events and not only responded to them (Holland and Doige, 2012). The Lisbon Treaty can be seen as a clear follow up on this objective by calling for the EU to act in a normative way. Thus, art. 21 TEU "The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights (...)" as well as art. 3 (5) TEU: "In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights (...)".

In the Union's relations with the world, there is thus a strong focus promotion of certain norms and values hence underlying this, take active part in and shaping the world outside of the EU's territory.

But what happens if the Union itself through the effects of its internal policies foster infringement of these principles of conditionality e.g. breaking the rule of law, contradicts good governance, and violating human rights? Then the lack of coherence not only undermines the development policy objectives but more severely it is obstructing the to foundational ideas on which the EU is based on and can raise serious concern about the legitimacy of the Union. For the purpose of this thesis, I will focus on political conditionality. This form of conditionality gives incentives for the execution of policies in the recipient country that promotes goals of democracy, human rights, the rule of law and good governance, or the mere expectation of the latter, by rewarding preferential trade agreements, aid or other types of financial assistance (Holland and Doige, 2012). Since the list on conditionality include many aspects I will only focus on *good governance* due to limited space.

5.3.1. Good governance

The notion of good governance was introduced in tandem with the other concepts of human rights, democracy, and rule of law in the development discourse in the 1990s and due to the influence of the EP, good governance has been mandatory in all types of agreements with third countries – developing as well as developed. Ultimately, it implies a broad and inclusive idea encompassing all aspects of the management of public affairs emphasising transparent, accountable, participatory, and equitable governance. Hence, good governance is based on democratic principles connected to efficient and competent institutions (Holland and Doige, 2012). Although governance is not part of the essential elements in the CPA, it is categorised as a fundamental element and included in the criteria, which the ACP countries must fulfill to be eligible to and have access to development assistance (Gomes, 2013).

Usually the literature discusses the transfer of norms and the EU as a normative actor. Subsequently, it becomes pertinent to examine this normative character in relation the ACP countries. Thus, the EU's mandate to uphold and promote its values and interests has a central place for the character of the EU, and thus values play a significant role for the EU's relations with the ACP group (Pape, 2013). Forsberg (2011) for instance suggests different features of normative power; normative identity, normative interests, normative behaviour, normative means of power and normative outcome. Relating these to EU development policy, the normative identity and normative means of power are interesting, in particular concerning conditionality, where the EU has a set of principles the recipient ACP countries must follow, such as good governance as mentioned above. However regarding conditionality, critics also argue that the EU employs double standards (Holland and

Doige, 2012). Not only is it hard to measure such a broad notion as good governance, it can also be hard to determine, when a breach of the rule of law or violations have been sufficiently severe to sanction a country. Moreover, if the sanctions have consequences for European jobs, the political costs are higher than if such sanctions were placed on a country with which the EU has a neglectable trade. An example of a clear double standard exactly concerning the norm of good governance was prevailing in the CPA. In the 2010 revision of the CPA, article 9 was amended so that the principles underlying good governance apply equally to the ACP and EU MS (Gomes, 2013). Hence the EU wanted to transfer the norm of good governance to the ACP countries through aid conditionality but it did not had a legal obligation to follow this very norm itself. This is an obvious lack of good governance from the EU and what I would argue “bad” governance, since the EU is acting as a normative actor towards the ACP countries by promoting certain values without acting as a good exemple itself. Strikingly, the EU did not until the revision in 2010 make this obligation of good governance equally applicaple to the Union itself in its relations to the ACP countries. This lack of coherence contributes to the gap between the Union’s ambition to be an important international actor and its performance and perceived capabilities (Holland and Doige, 2012). Ultimately, this creates incoherence, which can be destructive to the legitimacy of the EU’s development policy and the image of the Union as a whole. If the policies promoted internally in the EU e.g. the energy policy then foster breaches of the rule of law and consequently undermines good governance in the recipient countries, the effectiveness of the Union’s development policy cen be questioned. If one hand takes, what the other gives, discussions of aid effectiveness become meaningless and more seriously EU’s legitimacy as an international actor is undermined.

6. The foundation for EU's energy policy

Now turning to the energy policy, this area has been very important during the formation of the EU. In the very beginning of the European integration process energy played a prominent role qua the idea behind the Union was a coal and steel community (ECSC) with the Paris Treaty of 1951. Hence energy policy was initially at the forefront of the European integration by having two of the original European Communities (ECSC and EURATOM) dealing with the provision of energy to the European economy (Dinan, 2010). Although the ECSC expired in 2002 and subsequently treaties have broadening the community to the Union we know today with the Lisbon Treaty as the legal foundation, energy still remains important (Buchan, 2010).

6.1. The nature of energy policy

The EU is highly depended on import for its energy use. More than 50% the supplies come from imports, mainly originating from Russia, the Middle East, and North Africa (Dinan, 2010). Consequently, energy policy has been put on top of the EU's agenda due to rising oil prices, fears of cut-offs from Russian gas supplies, and energy-driven climate change. Parallely liberalisation of the energy market has been push forward by the Commission harder than ever before, although this topic has remained prominent on the energy agenda the last twenty years (Buchan, 2010; Dinan 2010). Energy security is connected to the CFSP, while climate change connects energy and environmental concerns (Buchan, 2010). Following this, energy security is defined as "having adequate access to energy at reasonable prices" (Buchan, 2010). This has become a salient issue with the accession of the central and eastern European countries. Following this, the EU's interest in the promotion of biofuels is inter alia connected to the increased preoccupation of energy security within the Union (Afionis and Stringer, 2012). The identification of biofuels as a key energy source for the future is spurred by two different developments. Firstly, the EU transport sector relied almost entirely on oil, making the EU dependent on external oil sources. Secondly, in regards the to Kyoto Protocol (KP) the EU was not performing well in order to meet its reduction target of 8% for greenhouse gas (GHG) emissions. Failing to meet its Kyoto target, the EU would not only undermine its attempted leadership within the international climate scene, it would also negate progress in other environmental areas for the EU (Afionis and Stringer, 2012). Meanwhile, the EU's ambitious goals on climate change are transforming most aspects of the energy policy, since energy use accounts for approximately two-thirds of the total GHG (Buchan, 2010).

Only until recently energy got its own chapter in the treaty and hence previously there was no separate and specific articles on energy policy. During the years policy-makers therefore borrowed legal competence from either environmental or economic parts of the treaties to justify proposals for energy measures (Buchan, 2010). A chapter of environment was added with the SEA and thus a legal competence for environment was in place (Dinan, 2010; Falkner, 2011; Wallace et al., 2010). Moreover a specific article on environmental protection was added with the SEA (Dinan, 2010). The SEA and the following development of the single market were important steps towards the recognition of energy's economic importance, and with the Maastricht Treaty in 1992/3 the EU gained competence to improve the cross-border energy infrastructure as well as increasing the Union's ability to act on environmental issues (Buchan, 2010). Ultimately, the energy policy received its own chapter with the Lisbon Treaty and the union now has legal competence in this policy area. However, there still remains a lot in the hands of MS, since art. 194(2) gives them the right to "(...) determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply (...)". The energy policy has four overarching objectives, which are to ensure the function of the energy market, to ensure security of energy supply in the Union, to promote energy efficiency, energy saving, and the development of new and renewable energy forms, to promote the interconnection of energy networks.

6.1.2. The climate-energy nexus – the complex interplay of two policies

As described by Buchan (2010) energy's significant contribution to GHG emissions has major implications for the internal energy policy in the EU and makes it inherently connected to environmental concerns and climate policy¹¹. Thus, the complex interactions and implications of one policy on another, makes a strong case for PC. However, this interaction between different policies can also derogate the climate change policies if PC and environmental policy integration are not exerted to a certain degree and considerations towards energy and agricultural industries are regarded as more important than environmental considerations.

¹¹ Meanwhile, climate change policies can potentially also affect agricultural policy, transportation policy and even health policies, since emission reductions can be connected to cleaner air and in general less pollution of water, air etc.

However, the emphasis on the importance of environmental protection is stated in TFEU art. 11 “[e]nvironmental protection requirements must be integrated into the definition and implementation of the Union policies and activities, in particular with a view to promoting sustainable development”. Thus, the safeguarding of the environment as a high priority should be expected with this enshrinement in the Treaty. Moreover one of the main objectives in the environmental policy is the combat against climate change as stated in TFEU art. 191 “promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change”. Furthermore, the environmental policy is based upon the precautionary principle (TFEU art. 191, 2), and hence thereby calls for action even though there is not a 100% scientific agreement on an issue.

6.1.3. The 20-20-20 targets and the importance of biofuels

The 20-20-20 targets include 20% reduction of GHGs, a 20% share of renewable energy in the energy mix and 20% energy efficiency – all targets to be achieved by 2020. To support these targets endorsed by the European Council in 2007, the Climate and Energy Package was finally adopted in 2009 by the Council (EC, 2014). When it comes to the target of a 20% share of renewable sources in the energy mix, which is the target this thesis focuses on, more specifically a share of 10% in the transport sector should come from renewable sources and thus, the question of biofuels becomes relevant. In connection to this target, the RED was adopted in 2009. More recently on October 17th 2012, the Commission made a proposal to a new directive amending directive 98/70/EC relating to the quality of petrol and diesel fuels and amending RED. This proposal is made on the basis of scientific evidence that the 1st generation biofuels might not be capable of contributing to actual CO₂ reductions due to indirect land-use change (ILUC) (EC, 2012a).

The new proposal, from the Commission has at its core the aim to include ILUC, since conversion of land into agricultural land for biofuel cultivation can lead to an indirect rise in emissions and thereby reduce the actual emission savings¹². Therefore biofuels have a potential risk to not attain GHG reductions, but rather when including ILUC, these can “negate some or all of the greenhouse gas savings of individual biofuels relative to the fossil fuels they replace.” (EC 2012b).

12 I will return to the issue of indirect land-use changes and biofuels in the section “The Renewable Energy Directive – friend or foe for sustainable development”

Furthermore, the Commission does not wish to support biofuels with subsidies, which by the year 2020 “do not lead to substantial greenhouse gas savings (when emissions from indirect land-use change are included) and are produced from crops used for food and feed.” (EC, 2012b.) However, at the same time the Commission ensures to respect the “existing investments made in biofuels production” (EC, 2012b).

6.2. Integration of climate as a cross-cutting issue

EU policy-makers see themselves as pioneers in the area of mitigation climate change. Especially in the development of international and regional measures to combat climate change by playing a leading role in the negotiations of the KP (Buchan, 2010). Hence the EU has become a global leader in international climate policy-making (Dinan, 2010; Kelemen, 2010; Brandi, 2012). The international ambitions have led to bold internal targets, which in turn have great implications for the Union’s energy policy, since energy production contributes significantly to GHG emissions (Buchan, 2010). Thereby, due to the concerns of climate change, the energy policy has been extensively influenced by environmental concerns, which have been incorporated into the energy policy. Environmental and energy policy have also seen an increasing interlinkage, which is reflected by the parallel development of EU’s climate and energy strategies (Dinan, 2010). In general the Commission has tried to include environmental policy in other policies and in particular made it an integral part of transport, energy, and agricultural policies (Dinan, 2010).

To sum up this section on energy policy, it has become clear that internally within the Union, energy is connected to and influenced by other policy areas – in particular environment historically and but recently also climate change. The importance of energy policy is underlined by its long story in European integration being the foundation of the collaboration with the creation of the Community with the Paris Treaty and the following Rome Treaty establishing the path for integration. The issue of energy policy’s interplay with climate policy is reflected by the *20-20-20* targets and the subsequently target of 10% biofuels within the transport sector. All these streams of connection lead to the nexus of energy and development policy, which will be discussed in the next section with Mozambique as a case study for the EU’s interaction in a ACP country.

7. Context of biofuels

There is a “triple win” assumption behind biofuels. It is founded on the belief that biofuels will reduce GHG, and thus is connected to the combat against climate change and addresses a current pressing environmental problem. Secondly, it is assumed that biofuels will foster economic growth and development in the Global South by promoting employment and livelihoods and thus contributing to rural development (Borras, Fig, and Suárez, 2011). All this, concomitant with achieving energy security and become independent from fossil fuels from unstable or politically hostile countries. This energy security can in turn maintain the current economic production and consumption in the Global North (Borras, Fig, and Suárez, 2011). Shifts in policies have directed the global interest in biofuels. Nevertheless, concerns about biofuels’ effect on global food security have been raised as there was a biofuel boom in the EU driven by e.g. subsidies in Germany and mandatory requirements of minimum shares of biofuel in the energy mix at the same time as a dramatic rise with sky rocking food prices (Dinan, 2010).

7.1. Mozambique – an overview of the political economy of the country

Mozambique is a former Portuguese colony in the south eastern part of Africa and has a population of about 23 million, whereas approximately 70% live in rural areas (EC, 2007; World Bank, 2012). Mozambique ranks as second-lowest on the Human Development Index (HDI) being number 185 only surpassed by Niger and Democratic Republic of the Congo, which both share the last place in the HDI (UNDP, 2013). It is classified as a low-income country and had a Gross Domestic Product (GDP) per capita of US\$ 441 in 2010, significant lower than the average of US\$ 510 for other low income countries (World Bank, 2012). In Mozambique around 80% of the population is employed by agriculture, however the sector only comprises around 25% of the Mozambican GDP and 16% of exports. The sector is mainly small-holder farming, and agribusiness is only found on 3% of the total area of cultivated land, which shows the little diffusion of commercial agriculture in the country (Borras, Fig, and Suárez, 2011). Around 54% of the Mozambican population live below the poverty line. (EC, 2007) and the country remain one of the poorest in the world (Schut, Slingerland, & Locke, 2010). This is despite a relative strong economic growth since 1995 with a 10-12% grow in the late 90s, albeit it has slowed down to around 7% the last years due to the global food, fuel, and financial crisis since 2008 (World Bank, 2012). Mozambique is a net importer of food and fuel and the international food crisis in 2008 had great negative effects on the country (World Bank, 2011).

During the last decade Mozambique has experienced a strong turn to natural resources but this development has not transformed the economy and neither has the economic growth benefitted the poor. Conversely, there has been an increase in the already great disparities in the wealth (Buur, 2014). Moreover the distribution of poverty is centred in rural areas and in the northern part of the country. Therefore, a main challenge for Mozambique is to diversify the source of economic growth and to develop the agricultural sector, which remain subsistence-based and largely unproductive (World Bank, 2012).

7.2. Biofuels in Mozambique and legal and political context

The recent search for land has been called the global land rush lands (Borras, Fig, and Suárez, 2011) and since 2004 there has been a sustained interest in the development of biofuels in Mozambique (ODI, 2013). This interest has been based on a hope to improve energy security, promote agricultural development, stimulate exports, and attracting foreign capital, while at the same time reducing poverty (Di Lucia, 2010). Mozambique is considered to have one of the largest biofuels production potentials in Africa (IIED, 2010). This has also stimulated the surge for biofuels in Mozambique and makes the country particular relevant for the nexus of development and energy. The majority of these projects have had the EU targeted as a specific market and the initial interest in development opportunities has been high from both foreign and domestic investors. Nevertheless, there has been a decline in interest during the last few years, which has been caused by several internal and external factors such as political and bureaucratic delays in acquiring land use licenses and the global financial situation (ODI, 2013). In 2010 48 running projects on biofuels were registered but as of 2013 only 18 were still operating. Reasons for the discontinuation of so many projects can be attributed to either a revoke of land use rights or simply just ceased operating due to other factors (ODI, 2013). In 2009 the Mozambican government approved a new *Policy and Strategy for Biofuels*. There are three objectives underlying this policy; development of the energy sector, enhance energy security, and reduce imports of oil. According to the policy and strategy, the biofuel sector will be developed in three stages, where the first one – the pilot phase – will continue until 2015. The second phase span from 2015-2020, which is an operational period, and the third phase focus on the expansion and runs from 2020 onwards (Borras, Fig, and Suárez, 2011).

Mozambique is claimed to have one of the most progressive land laws in the region, which is able to protect the rights of the local people's lands (Borras, Fig, and Suárez, 2011). The law from 1997 is one of the few laws in the world, which is very clear with the aim of protecting as well as promoting the interest of poor, rural people lands (Borras, Fig, & Suárez, 2011). The law's art. 12 asserts that no community or household land can be taken away without any prior consultation with as well as consent by the affected people. Thus, there is on paper a strong legal foundation to protect local communities in Mozambique against so-called land grabbing. However cases of relocation and dispossession of people in connection to the establishment of nature reserves have proved that the law is no silver bullet (Borras, Fig, and Suárez, 2011). Furthermore, in the case of Procana¹³ the consultation of the local communities was limited to the terms of the relocation of the people and not whether they actually accepted the biofuel project on their land. Additionally, it was only the local elites and elders who were consulted and endorsed the mega-project but discussion with individuals from the different communities have indicated that the endorsement also only concerned the relocation lands (Borras, Fig and Suárez, 2011). This therefore begs the question of what kind of consultation is being conducted and raises concerns about the qualitative aspects of the land law and the consultation process in land acquisitions in Mozambique.

7.3. Mozambique – a prime destination for biofuel cultivation

In the wake of the aforementioned global land rush, there has been a special interest in large-scale industrial sugar cane plantations in especially Africa based on the assumption that there is a sufficient supply of available, appropriate land in that region (Borras, Fig, and Suárez, 2011). Consequently, there have been widespread reports of displaced local, rural communities as well as corruption in the land deals. Multilateral institutions such as the World Bank have as a response to this advocated principles of responsible agricultural investments. However, criticisms from the UN Special Rapporteur for the Right to Food have remained, arguing that these principles might even further facilitate the so-called land grabbing (Borras, Fig, and Suárez, 2011). Mozambique fits very well to the drivers of biofuel production. It is fairly unpopulated, has good climatic conditions, and with the abundance of land, there is a great potential to use under-utilised land without displacing or disrupting the livelihood of local communities (Borras, Fig, & Suárez, 2011; CEPAGRI 2014). Consequently, great optimism has flourished around the development of biofuels in Mozambique since 2010 (Borras, Fig, and Suárez 2011).

¹³ A biofuel project with international investors. The case of ProCana will be discussed further below

Additionally the electricity dispersion in the country is very low. Around 65% of the country does not have electricity. However, this is a national aggregated number and in rural areas only about 7% has electricity. In some places only 3% has access to energy – for instance in the region Zambezia (EC n.d). The direction of the energy production towards international markets and neighbouring countries is not a new trend in Mozambique. The country has several sources of energy such as coal, natural gas, and hydropower. Meanwhile the trend in the Mozambican energy policy has been to export the majority of the energy produced domestically, leaving the majority of the country's inhabitants without electricity (Borras, Fig, & Suárez, 2011). Therefore it is pertinent to ask if this would change with the production of biofuels?

7.4. The reality of jatropha as a biofuel crop

The local seed jatropha has been promoted and given the promise of being non-irrigated, due to its resilience and ability to grow in semi-dry areas. While jatropha can survive on dry lands, it cannot be commercially productive without irrigation and fertiliser (Borras, Fig, & Suárez, 2011). This truth has many foreign companies realised since (PetroMoc, 2014). Thus, jatropha needs water and fertiliser to become a commercially viable crop for biofuels. This has also been the case for many other countries such as Kenya, India, Indonesia, and the Philippines (Borras, Fig, and Suárez, 2011). This implies that water also becomes a crucial part of the biofuel puzzle in Mozambique and elsewhere. In the case of ProCana and the production of sugar cane for ethanol, the company was issued a guarantee from the government to use up to 750 million cubic meters a year. A later study showed that if ProCana were to use all the water from the dam, which was allocated to the company, it would have severe consequences for the water-user downstream. This means that small-scale farmers and livestock herders would face water shortage (Borras, Fig, and Suárez, 2011). The discussion about biofuels threatening livelihoods of local people then also becomes a question about water resources and not only land. With the allocation of water from the local dam to the ProCana sugar cane plantations, the capacity of the local communities to produce food for their own consumption would be undermined and puts into question their livelihoods (Borras, Fig, and Suárez, 2011). This implies a clear spill over in the complex context of biofuel production in the Global South and it contests the assumption and expectation that biofuels in countries like Mozambique will not pose a threat to local communities' existing livelihood but instead create employment and rural development for the benefit of the local people.

In the same vein, a study conducted in 2009 (Borras, Fig, and Suárez, 2011) interviewed a local older man, who lived on the land that had been allocated to ProCana. Interestingly, he pointed out that he was perfectly satisfied with his life and happy being a subsistence farmer and charcoal producer in his local community. Furthermore, he also expected that it would be the younger and more skilled men, who would be hired by ProCana to work in the plantations. This raises questions of the legitimacy of the perceived benefits for local communities of biofuel production. Apart from this difference in the perception of what is a good life and what local communities aspire for (however young people or other people in the community might not agree with the interviewed elder), job opportunities might not occur in the number and extent that companies and governments have planned or wished for. In the case of ProCana the number of people employed would depend on national legislation on labour and social safety regulations, thus with weaker regulations, ProCana would choose labour-intensive and non-mechanised production, where as with a stricter regulation it is plausible that the company would chose mechanisation of the plantations, thus not employing as many as initially envisioned lands (Borras, Fig, and Suárez, 2011). This phenomenon can be categorised as Li's idea (2011) about non-labour land acquisitions, which is a need for poor people's land but not their labour. This happens when companies come to developing countries and get large-scale land deals but do not employ the local people living on the land allocated, because the dispossessed people simply cannot be absorbed in any of the economically productive sectors of the country's economy.

7.5. The case of ProCana in Mozambique – a peculiar case yet encompassing the issues connected to biofuels

The case of ProCana in Mozambique is very peculiar compared to other biofuel projects in Mozambique¹⁴. Nevertheless, the nature of the land acquisitions and the project process remain similar to other biofuel projects in Mozambique, since it encompasses many issues connected to biofuel production in developing countries it is apt to include for an understanding of the biofuel landscape in Mozambique¹⁵(Borras, Fig, and Suárez, 2011).

14 A lot of serious accusations of the main investor behind ProCana, Muller Conrad Rautenbach have been raised due to his close connection to contested regimes in Zimbabwe and the Democratic Republic of the Congo. For more details see (Borras, Fig, & Suárez, 2011).

15 Meanwhile in October 2009 ProCana announced the closure of its project due to a focus on mining, which is the main area in its portfolio. Subsequently, the Mozambican government has

Marginal land is defined as unused, under-utilised, idle lands or waste lands (Borras, Fig, and Suárez, 2011). Underlying the assumption of marginal land is that it is assumed that they are empty or inhabited by anyone and that they are not fully utilised in economic terms lands (Borras, Fig, and Suárez, 2011). But these lands do usually have a use e.g. pastureland, village common or used to gather nuts and honey. Mean while these types of land-uses are not officially recognised (Euobserver, 2009), which is why these lands are considered unused. On the land, which ProCana was allocated, there were activities of subsistence farming, charcoal production, and livestock raising in the form of cattle herders lands. The ProCane land was also placed on a “prime agricultural land with great potential for food production” (Borras, Fig, and Suárez, 2011:222). It can therefore not be excluded that other biofuel investors have been allocated land similar to the situation of the Procana project. The wish of producing biofuels for the national market as well international energy markets was also confirmed by interviews with representatives from the Ministry of Energy as well as the Ministry of Agriculture, which were conducted during my fieldwork in Mozambique. The ProCana biofuel project was directed to export 80% of the production to the South African Development Community (SADC), although mainly South Africa, and thus no significant amount of the biofuels was envisioned to ameliorate the energy poverty in the rural areas of Mozambique. The interviews I conducted also confirmed this. At the moment the intention is to develop a biofuel production for exports (Ministry of Energy, 2014; CEPAGRI, 2014). Here the EU is seen as a key end market. The reason why the biofuels is not directed toward the national Mozambican market is that the latter is not developed enough and thus a biofuel sector targeted the national level is not yet profitable. However, in time when the national market has developed, the biofuels should figure as an important energy source of local consumption. Interestingly, a NGO representative interviewed disputed this claim with the example of the cotton sector in Mozambique. Cotton has long been important in the country and is a cash crop like jatropha, sugar cane and other crops used in biofuel production. The local farmers cultivating cotton have not benefitted from being employed in the cotton sector, since the price of cotton is under pressure and constantly decreasing on the international market. He did not see why the case of biofuel should be any different. Cotton remained to be sold and exported to the international market, so why should biofuels turn into a different direction – especially with the increasing demand for biofuels (WE Effect, 2014).

announced that it is looking for new investors to develop to 30 ha land that was allocated to ProCana. For more details see Borras, Fig, & Suárez, 2011.

A study commissioned by the Swedish Embassy in Maputo also suggests that the growing of cash crops (tobacco and cotton) in the northern rural areas has mainly benefitted larger producers and thus, contributed further to disparities in wealth (Tvedten et al. 2013).

7.6. EU - a partner facilitating or distorting development?

In the context of Mozambique there has been a surge of land requests especially following the years 2008-2010. These have in particular been made by European companies, which wanted to take advantage of Mozambique's vast natural resources in order to produce biofuels (CEPAGRI, 2014; IIED, 2013). In total 145. HA of land have been allocated to these request (IIED, 2013). The incentive for land acquisitions in Mozambique must be seen in the light of the internal policies of the EU with the climate objectives and the following energy policies committing the Union to have a 20% share of renewable energy in the energy mix with a specific target for biofuels in the transport sector as previously discussed.

Despite Mozambique's vast and fairly unexploited resources, the country is also attracting for investors due to a favourable climate for biofuel crop cultivation and low labour costs (Ministry of Energy, 2014). The incentives from the national government to support the development of the biofuel sector are two-folded. Firstly, Mozambique faced increasing energy import expenditures due the rising oil prices around 2008, and the government therefore sees biofuels as a viable energy resource that can make Mozambique less dependent on oil imports. Furthermore biofuels are seen as key to rural development and an important contributor to economic development. Secondly, the prospect of exporting to the European market is a crucial factor (Ministry of Energy, 2014). With the progressive land law, Mozambique appears on paper to be an optimal ACP country where the business-development nexus can be unfolded as aforementioned. In the wake of the surge of land acquisitions, the Mozambican government started to heavily distribute jatropha seeds to farmers in local communities. If local farmers would grow this crop, they would be able to deliver to the conversion plant and hence be part of the production supply chain, giving them an important source of income (CEPAGRI, 2014). This approach of creating a livelihood for poor communities by integrating them in the economy goes hand in hand with the concept of "green inclusive growth", which is central in the EU's development policy. ODA is deemed more efficient if it deals with the causes and not the effects of poverty as the Commission Green Paper asserts, "aid (...) must tackle the roots of poverty rather than its symptoms" (EC, 2010).

The development in Mozambique therefore seemed very promising by the year 2010. Meanwhile, there has also been raised issues from NGOs in regards to food security and land grabbing, which has been related to the production of biofuels in other developing countries. Conversely, biofuels' impact on food security does not differ significantly compared to other agro-industrial crops. Following this, the way the land is made available and the models of production may be more important in avoiding negative outcomes of biofuel production (ODI, 2014). Furthermore, issues have been raised about the actual socio-economic benefits for local communities, since biofuel production may result in poor or even exacerbated labour conditions in developing countries in particular (Di Lucia, 2010; Afionis and Stringer, 2012). If the EU's energy policy is contributing to "bad" governance and disregard of local communities land rights, there is not only a lack of HC between the EU's external and internal policies. But this lack of coherence also questions the EU's legitimacy and its discourse of development cooperation as a partnership with the recipient country. The language and discourse of inter alia the CPA (Cotonou *Partnership* agreement) confirms the partnership discourse.

8. The Renewable Energy Directive – friend or foe for sustainable development

The RED from 2009 with the target that renewable energy in the transport sector should be at least 10% the final consumption by 2020 is part of the EU Climate and Energy Package from 2008 and is embedded within the context of climate change (Nilsson et al., 2012). However, the sub-objective of renewable energy in the transport sector is not specific about the type of primary renewable energy and concerns all types of transport technology. Thus, it is neutral and does therefore not emphasize biofuels. However, the RED builds on the previous biofuel directive, and it is clear that there is an intention to promote biofuels in road transportation for the purpose of climate change mitigation. This makes the interaction between the promotion of biofuels and the RED strong in practice, despite that the sub-objective is neutral about the type of primary renewable energy source (Nilsson et al., 2012). It is therefore pertinent to examine the consequences of EU biofuel policy in Mozambique in relation to PCD and the nexus of development and energy.

8.1. ILUC and biofuels as a means to mitigate climate change

Increased use of biofuels will cause direct as well as indirect land-use changes (Nilsson et al., 2012). This has also been considered in the RED directive and a set of sustainability criteria have been developed, which can be seen as a first step in defining a more environmentally friendly biomass production with the aim to prevent potentially negative interactions (Nilsson et al., 2012). Even though it still remains hard to assess the final policy outcomes concerning direct and indirect land-use changes globally (UNEP, 2009), there is on the other hand little doubt about that the increases in agricultural biomass production on the global scale are likely to increase the current pressure for land conversion of forests and grasslands – also partly driven by EU biofuel policies (WBGU, 2008). ILUC occur when fertile land, which normally is being used for growing food crops, is being replaced by biofuel crops. This can lead to land being clear for food production elsewhere in the world to meet the demand for food crops. Thus, through ILUC biofuels can lead to increased GHG emissions, higher food prices, and loss of biodiversity (Tilman et al. 2009). The environmental impacts of biofuels can therefore be high, if biofuels are not managed by a comprehensive policy framework that takes into account the whole lifecycle of biofuels as well as social aspects such as food security. To assess the sustainability of biofuels is therefore crucial.

In the same vein, prioritising between the three dimensions of sustainability, that is social, environmental and economic, is like asking to prioritise between water, air or food, where all three are as important for human life (Blackburn, 2007). Thus, it has been argued that the three aspects i.e. social, environmental and economic are mutually exclusive and equally important, that is, without environmental sustainability, we cannot have economic nor social sustainability. Or as Afionis and Stringer (2012), put it, the three sustainability dimensions are sine qua non in their nature.

RED represents the most ambitious attempt to foster use of renewable energy among the MS (Afionis and Stringer, 2012). Following this, the objectives of the EU biofuel policy are ambitious in scope and timeframe, nevertheless, ILUC effects strongly decrease the reduction of GHG and the whole production value chain must therefore be included in the evaluation of the implications of biofuels (Nilsson et al., 2012). This comprehensive approach to biofuel policies is also advocated by Tilman et al. (2009), where it is suggested that biofuels should only receive policy support, when they make a positive impact on four objectives, that is, energy security, GHG reduction, biodiversity, and a sustainable food supply. Conversely, if legislation is vague it can lead to a development of a counterproductive biofuel industry. Thus, actually working counter to the whole idea of biofuels – and in the context of Mozambique undermine EU's developmental objectives.

9. Discursive coherence contra performed coherence

A great challenge for the development of a coherence analysis, especially concerning the outcomes and impacts, is time lags, because the tracing of outcomes and impacts requires a long time scale (Nilsson et al., 2012). Consequently, the analysis of PC also begs the question of system boundaries e.g. geographical boundaries, because patterns of interaction in policy areas with a far-reaching spatial dimension – e.g. Mozambique in regards to development policy – may influence the impacts and outcomes of a given EU policy with specific targets and objectives (Nilsson et al., 2012). Thus, both time lags and system boundaries pose challenges in the analysis of PC. Following this, it has long been recognised that at the level of outcomes, it is a central challenge in policy analysis to determine the effect of multiple policies (Nilsson et al., 2012). Hence for the case of biofuels in Mozambique it is a real challenge to determine whether the EU's energy policy or its development policy has had certain effect in Mozambique. This is also hard to determinate, because of the interplay of these policies and how development policy by supporting biofuels in the name of achieving energy security in Mozambique, can supply the EU with the biofuels demanded by the Union. Consequently, when governance is considered to cover not only policy, but also politics and polity, it could be argued that a more comprehensive approach should be applied. Meanwhile, there are scientific trade-offs arising, since a broadening of the approach would entail a great lack of analytical clarity (Nilsson et al., 2012). By comprising multiple actors with competing interests and ideas, the policy-making becomes a political and contested process (Nilsson et al., 2012). It is in this context that the energy-development nexus must be viewed and consequently the analysis of PCD in the case of biofuels in Mozambique is situated. Which interests and whose interests should prevail? Is stimulation of economic development and growth more important than rural communities' rights to their land and traditional practices? Furthermore, should EU energy policy take precedence over development policy, that is, biofuels in Mozambique should be exported to the EU for the Union's energy security and fulfilment of targets renewable energy? This export is also providing Mozambique with much needed foreign capital and promote economic growth, thus indirect allegedly supporting development of the country.

9.1. Addressing policy coherence for development in Mozambique

The notions of complementarity, coordination, coherence and consistency have come to dominate the development policy of the EU. However, there has been some mixed results and consequently mixed success (Holland and Doige, 2012).

This begs the question of whether these four Cs are merely retrotrics, which in turn leads to a discussion of the discrepancy between political statements or commitments and treaty obligations and the actual policy conducted on the ground. In the following section, I will discuss this under the headings of discursive coherence and performed coherence. These concepts are based on my research and analysis in this thesis.

The EU policy documents and the treaty itself make explicit commitment to PCD as previously discussed. However, in reality these commitments are not being implemented. An interview with representatives from two different sections at the EU delegation in Maputo, Mozambique, revealed that there were no detailed instruction and procedures regarding PCD and energy. The civil servants were merely instructed to fill in a form, when entering into new projects supported by the EU but it was there own responsibility to really scrutinise whether or not a certain project would create incoherence (EU delegation, 2014). Nevertheless with a share of about 56% of the global consumption of biodiesel, the EU is one of the main biodiesel consumers (EC, 2013a), and thus its demand for biofuels are crucial for countries producing this commodity. Furthermore when the EU itself even talks about the coherence and synergy between energy related matters and the importance of energy for poverty reduction and sustainable development (EU n.d), it is striking that there is not a greater focus on the relationship between energy and development on the ground in Mozambique. Moreover, also that there is not a comprehensive framework for how to link energy with development to facilitate reduction of poverty in the projects that the EU delegation supports. On paper the EU will in particular work with the energy in rural area and focus on increased use of renewable energy as well as efficient use of traditional biomass. The overall approach from the EU in Energy Initiative is a partnership with developing countries as “other stakeholder” (EU Energy Initiative p. 1), and successful projects within the EU-ACP Energy Facility with 25 “Energy services centres” in rural Mozambique is highlighted (EU Energy Initiative p. 1). Although important, these 25 showcases of succesful energy projects in Mozambique remain as isolated “classical development cooperation” (my wording), and a comprehensive approach and the understanding of causal relations between internal EU policies and external ones such as energy and development remain absent. Hence the EU’s energy policy and connected biofuel targets are not linked to development cooperation and thus not creating synergies between the two policy areas, which is an explicit aim of PCD.

The EU identifies an aspect of its biofuel policy, which can have a positive impact on developing countries, that is, the encouragement of environmentally friendly produced biofuels (EC, 2008). This assumption implies the aim of synergies is fulfilled. The data collection reaffirms this concerning the development of the national sustainability criteria for biofuels. The Ministry of Energy (2014) emphasises that the EU sustainability criteria have been important in the development of the national criteria developed in 2009. This is not only evidence for what the EU identifies as a synergy between the Union's energy policy and development policy, it also confirms the EU's normative power in Mozambique. It is a Mozambican self-interest that can explain, why the country is obeying the EU's sustainability criteria and use them as a foundation the development of the country's own sustainability criteria; bluntly the country will be able to export more biofuels to the EU – and the international market in general – if their biofuel production comply with the EU norms of sustainability for biofuels (Ministry of Energy, 2014). Thus, by pursuing self-interest and perceiving the EU as a legitimate actor, Mozambique can fulfil their own national objectives and political priorities. In connection to this and related to the discussion of the EU as a driver of norms, the interview with the Ministry of Energy revealed a surprising idea underlying the promotion of biofuels, which was to reduce GHG emissions (Ministry of Energy, 2014). Meanwhile Mozambique's contribution to GHG is very small with 0.1 tons of CO₂ emitted per capita (World Bank, 2014), whereas the EU average is 7,3 tons per capita and 0,8 tons per capita for the Sub-Saharan average. It is therefore clearly not an urgent issue for Mozambique to cut down on CO₂ emissions compared to the EU – and even compared to the surrounding countries. Thus, the international discourse on climate change mitigation and the EU as an actor, which transfers certain norms and values through the interaction with ACP countries – and Mozambique in this case – is prevailing. Furthermore, it is beneficial for Mozambique that the EU wants to import biofuels, because the biofuel demand from the EU can help create the national sector in Mozambique (Ministry of Energy, 2014). Due to these findings, the EU exerts power over Mozambique not only in terms of self-interest but also in regards to legitimacy, because the EU is seen as a legitimate actor based on its norms and values in the field of climate and energy. Meanwhile, it is pertinent to analyse if these norms are of any value and contributing to a sustainable development. This will be investigated in the following section.

9.2. Real partnership or continued dependency as a form of colonial legacy?

Sustainable development is listed as an objective of European integration in the Lisbon Treaty (Dinan, 2010), thus this notion has a prominent place in the character and self-identification of the Union. Article 11 TFEU also reflects this identity connected to environment and sustainable development by stating “Environmental protection requirements must be integrated in the the definition and implementation of the Union’s policies and activities in particular with a view to promoting sustainable development”. The EU’s guiding principles of sustainable development and good governance in the Union’s external relations are a culmination of norms and practices, which makes the EU a normative power in world politics (Manner, 2008). The self-image and the Union’s strong commitment to sustainable development, distinguishes the EU from other international actors (Dinan, 2010). The EU has used its ODA instrumental in a way, which has enhanced the Union’s legitimacy on the international arena (Carbone, 2013b). Following this, the EU has a desire to shape the discourse globally on international aid, which is reflected by the Union’s contributions to the different international fora dealing with aid. The EU’s common position is clearly visible in the 2005 Paris Declaration on Aid effectiveness and the 2008 Accra Agenda for Action (Carbone, 2013b). A crucial reason underlying the adoption of the European Consensus on Development¹⁶ was a clear belief that the EU provides ODA in a different way than other international donors with the Union’s distinct way to promote development (Carbone, 2013b). Global debates on aid effectiveness culminated in the early 2000s with several high level meetings, which in 2005 led to the Paris Declaration on Aid Effectiveness¹⁷ (Gomes, 2013). Following this, the discussion on aid effectiveness has taken place during almost a decade at the high-level with the meetings in Paris 2005 and Accra 2008 as aforementioned, and most recently in Busan 2011 (Carbone, 2014; Carmeron and Low, 2012). The *Busan Statement* reaffirms the calls from the *Accra Agenda for Action* about a shift from aid effectiveness to development outcomes (Carmeron and Low, 2012). Nevertheless, despite recognition by the recipient of aid of the first Paris Principle on ownership of development policy, the dependency and asymmetrical relations between the donor and the recipient countries are not taken into account sufficiently by the aid effectiveness (Gomes, 2013).

16 The policy document from 2005 guiding the EU’s development policy for seven years and reaffirming the commitment to PCD

17 This declaration contains five principles, namely country ownership, alignment, harmonisation, managing for development results, and mutual accountability

This supports my argument about the discrepancy between the discursive coherence and the performed coherence and is further highlighted by what Holland and Doige (2012) call “perverse effect” of the Lomé Convention. Namely that the of ACP dependency on raw materials as an export base in exchange for importing primarily industrial goods from Europe was promoted through the Lomé Convention. Consequently, I argue that this is also the case today with biofuels in Mozambique – to some degree – since it is mainly foreign European investors and companies providing the facilities and expertise in the biofuel production sector and it is the rural areas in Mozambique, which provide the biofuel crops with the overall aim to export to the EU market. It can be argued that this is to some extent the same case for biofuels in Mozambique, since the whole sector is now on standby due to financial problems of the companies dominating the sector. These companies are mainly European and focus on the European market, which makes Mozambique the provider of natural resources for consumption within the EU.

9.3. Biofuels a valid option for sustainable development?

The reason why biofuels as a means of reducing GHG and climate change has been so disputed is that often the most profitable way of getting land to produce biofuels is to clear rainforest, savanna, or grassland. As a result of burning these types of biomass, carbon is released in enormous amounts, which then in turn negate any GHG saving coming from biofuels for decades and even centuries (Tilman et al. 2009). This is also sometimes referred to as “carbon debt”. To be environmental sustainable biofuels should be produced from crops with lower GHG emissions in their total life-cycle than traditional fossil fuels, and there should be no or little competition with food production. Furthermore they should not cause direct or indirect land-use change. If these requirements are fulfilled biofuels make a good substitute to fossil fuels (Tilman et al. 2009). Hence the key to carbon gains in relation to biofuels is to use land, which initially does not contain large amounts of carbon in either its soil or vegetation, while at the same time being able to produce an abundant amount of biomass (Tilman et al. 2009). If this is not the case great amount of carbon will be released to the atmosphere, when the land is cleared and thus, land-use change emission will occur undermining the actual gain of using biofuels instead of fossil fuels. An example of such a land, is the double cropping, where two crops are grown around the year. This means that after harvest of the “original” crop the biofuel crop is planted and the soil, which is otherwise unused several months every can accommodate biofuel production (Tilman et al. 2009). Hence, no additional land will be cleared and there will be no competition with food production.

With the second revision of the CPA signed in June 2012 the combat against climate change was identified as a major challenges, which needed to be addressed. Furthermore the EU also made a commitment to increase the PC of the Union's other policies with the development policy (Pape, 2013). This contrasts with the issues on the environmental impacts in the countries producing biofuels that have been raised in connection to biofuels as well as biofuel production's effect on land-use change and increasing prices on agriculture commodities (Nelson and Robertson, 2008). Moreover, the revision of the CPA made it clear that the development policy should tackle inequalities and devote a particular focus on giving poor people better access to land, food, water and energy, while not harming the environment (EC, 2011). If biofuels are not providing better access to land, food, water, and energy but in contrast exaggerates all the former as the case of ProCana in Mozambique as well as it was confirmed by a local NGO (WE Effect, 2014) in Mozambique show, it reflects incoherence and questions the EU's legitimacy. Following this Carbone argues that such a gap creates problems for the EU's legitimacy in the international arena. When the commitments are only symbolic and detached from actual performance, it has a direct impact on EU's international legitimacy (Carbone, 2013b). Furthermore when tensions between norms and interests arise within the EU, it challenge the legitimacy of the EU as well as the Union's self-proclaimed identify as being a champion of the developing countries' interests (Carbone, 2013b).

Whereas it is generally accepted that the EU is a norm provider setting normative frameworks for others to follow, it is, however, also well-recognised that its implementation of these norms are not as good (Smith, 2013). Accordingly Siles-Brügge (2014) challenges that the EU is a unique normative actor and that the trade and development policies are driven by distinct imperatives. Along these lines, it is questioned how desirable the current trade-development nexus is from the perspective of developing countries. Siles-Brügge shows how the reform of the General System of Preferences (GSP) scheme is more a move to improve the EU's leverage in negotiations with emerging economies rather than an effort to improve the GPS for the neediest as it is justified in terms of development. Consequently, this questions to what extent the establishment of liberal markets, in which European companies can compete, contribute to the economic development of the developing countries. Since the EU is the most important provider of market access to these countries, it is relevant to ask whether or not the primary goal of the Union's trade policy towards these countries is to create liberal markets for the benefit of its domestic firms (Siles-Brügge 2014).

This is also applicable in terms of the EU's energy policy and the case of Mozambique, where the vast majority of the companies investing in the biofuel sector was European. Thus, in the wake of the policy objective of 10% biofuel in the transport sector, European companies went to Mozambique in search for business opportunities to meet the coming demand for biofuels in the European market. The development of the biofuel sector was then heavily based on the European demand for biofuels and subordinated to this was the provision of biofuel to the domestic market and energy development in Mozambique. As one of the Mozambican government representatives expressed, one of the big problems for the future of the biofuel sector in Mozambique is that the foreign companies have financial problems (CEPAGRI, 2014; ODI, 2014). Since these are dominating the sector, it is on standby for the moment and the land that was allocated to biofuels is not being cultivated or used for anything else. Additionally, since jatropha has not responded and giving yields as expected, the biofuel sector is on stand-by in Mozambique (CEPAGRI, 2014). This also supports my argument of the "perverse effect" of ACP dependency on the EU¹⁸. So the EU might transfer norms of sustainability to be followed in the biofuel sector in Mozambique but when the EU's demand for biofuels and the European companies dominating the biofuel sector in Mozambique do not fulfill the expectations, it creates problems in Mozambique with a biofuel sector put on standby.

9.4. What is working for what and for whom - in the landscape perceived performance and the discursive performance

It is argued that there has been "much ado about nothing" (Carbone, 2014:114) from the EU's side. In all international foras on aid effectiveness e.g. Paris, Accra, and Busan, the EU leadership aspirations have remained largely unfulfilled and in reality the political commitments made are not being transferred into action (Carbone, 2014). In regards to the achievement of the MGDs Mozambique will "potentially" by 2015 reduced to half the proportion of people living under extremely poverty as well as attain the target of reducing the proportion of people suffering from hunger to half (World Bank, 2012:7).

Young and Peterson (2013) discuss the nature of a policy nexus and that it has two different aspects relating this to development policy i.e. trade and development, with trade *as* development policy and considerations of development *in* trade.

¹⁸ See the section "Real partnership or continued dependency as a form of colonial legacy" for the reference to Holland and Doige (2012:57)

For the purpose of the thesis it means that in the latter case development considerations are present in the energy policy and for the former that energy policy works as development policy. Whereas development considerations in energy policy does not seem like a foreign concept with the EU's legal obligations of PCD – although the practice might appear different as discussed elsewhere in this thesis – energy policy as development may appear out of place or as an alienation of both development policy and energy policy. Nevertheless, energy has been identified as a main issue in international development with the UN initiative Sustainable Energy for All. This was launched in September 2011 and focuses on universal energy access, energy efficiency, and renewable energy. These three objectives should be achieved by 2030 (UN, 2013). Even the EU has created its own energy initiative and this clearly shows how important energy has become for development. The access to and use of fossil fuels have also provided the Western World with the society we know today with an economy based on fossil fuels. This stresses the importance of the development-energy nexus and reiterates the crucial character of PCD in particular this area. A relevant question for the policy-makers in the EU is thus, how energy can foster the development – also a sustainable one. In this way energy can become the catalyst of development in third world countries without compromising food security, good governance, the rule of law, or undermining climate change mitigation. But before all this can become reality the implications of EU's energy policy must be critically scrutinised providing a comprehensive policy framework to secure truly sustainable sources of renewable energy and security of energy. This means that the biofuel sector should promote better access to energy and provide economic development in the rural areas as it is stated in the agreement for development cooperation (EC, 2007). Meanwhile, only two percent of the people in rural areas is connected to a grid-based electrification and with 70% of the country's population living in rural areas, the vast majority of Mozambicans rely on biomass for electricity i.e. charcoal, wood, agricultural waste, and animal manure (World Bank, 2012). This is despite Mozambique's significant energy resources. The country has one of the biggest hydropower installations in Africa, the Cahora Bassa dam, which generates 85% of the country's total energy production capacity, and Mozambique has the potential to become one of the biggest energy producers on the African continent. However most of the energy produced is exported to other countries in the region, mainly South Africa, and Mozambique has one of the lowest electrification rates in Southern Africa with only 15% of the total households having access to electricity, whereas half of these people live in the capital Maputo or its surroundings (World Bank, 2012).

Another 35% of the population is considered “chronically food insecure” (World Bank 2012:21), and the increasing droughts due to climate change could worsen this further.

The EU itself claims that PCD is essential for the Union's credibility as a global actor. Moreover, the EU delegations in third countries have an important role in keeping PCD issues on the agenda with the regular dialogue conducted with the partner countries (EC, 2013b). Meanwhile it is difficult to assess if this is actually the case on the ground. Firstly because the language is weak and to what degree should the delegations “keep” PCD on the agenda? Additionally, it depends on the individual staff to be aware of potential policy conflicts in the supported projects in Mozambique and generally there is only a focus on trade in connection to PCD (EU delegation, 2014). In fact one of the staff interviewed at the EU delegation in Maputo had not heard about the connection of energy and development policy in regards to PCD before. In the same vein with every financial proposal the delegation staff has to fill in a form but there are no guidelines on the 20-20-20 targets and PCD but one of the staff members expressed it “would be useful to have” (EU delegation, 2014). Thus, despite clear objectives of ensuring PCD with legal commitments in the Lisbon Treaty as well as in the CPA and *Agenda for Change*, there is a discrepancy in the implementation and lack of guidelines provided to the EU delegations in third countries.

In 11th EDF there is no mentioning of biofuels but there is a focus on rural development (EU delegation, 2014). There is therefore no direct link between EU support of biofuels in the development policy. However, the interview with the EU delegation in Maputo showed that there was a need to have clearer instructions on PDC and guidelines in this regard to the 20-20-20 targets – although these targets are a part of an internal EU policy.

10. Conclusion

The EU has since its inception had a legal framework about the relations to ACP countries. As the time went by the support to specific third countries i.e. former colonies of EU MS has developed and the EU is today the world's biggest donor of ODA. During the decades more countries have become part of the ACP group and the nature of development assistance has also changed. The EU's development policy is mainly directed towards the ACP countries and this cooperation is directed by the CPA, whereas the overall development policy applicable to also non-ACP states is determined by the policy document *Agenda for Chance* from 2012. As a former Portuguese colony Mozambique being a country classified as low-income and among the poorest in the world as well as one of the most aid dependent countries, PCD is highly relevant for Mozambique. Additionally, Mozambique has also been the target of the global land rush in the pursuit of biofuel production. It is therefore pertinent to examine the presence of PCD and the case of biofuels in Mozambique in connection to EU's energy and development policy. The EU – a self-proclaimed leader in environmental politics – has adopted ambitious climate change targets, which have had implications for the Union's energy policy. Thus, by 2020 renewable energy should constitute 20% of the energy mix. In the transport sector 10% of the energy should come from biofuels. These targets have resulted in the adoption of RED in order to achieve the 20% renewable energy and the 10% biofuels. This has in turn driven land investments in Mozambique mainly by European companies. The specific features of Mozambique as being a land abundant country with good climate conditions for biofuel cultivation as well as low labour costs, have created a surge for land and initiation of numerous biofuel projects in Mozambique. Although the country has a very progressive land law to protect the rights of rural communities and the country has developed its own sustainability criteria, there have nevertheless been issues with the so-called landgrabbing and rural livelihoods have in some cases been compromised. However, studies have also shown that the impact of biofuels on food security and land does not differ compared to other agro-industrial crops.

Meanwhile, despite that the EU has a legal commitment in the Lisbon Treaty to ensure PCD and that sustainable development is a main objective for the Union's external relations, there is a discrepancy between that discursive coherence and the performed coherence in the case of Mozambique. This discrepancy stems from a lack of horizontal coherence between the EU energy policy and the development policy. Thus, the implications of the EU's energy policy on the development policy are a lack of horizontal coherence in the energy-development policy nexus.

As I showed in the theoretical discussion about policy coherence, the notion of horizontal coherence can be connected to outcome coherence and the results of a policy. Despite a clear discourse on PCD and its subsequent importance, the EU faces challenges to adhere to the commitments made about PCD and ensuring that not only external policies are coherent but also that internal policies such as energy policy does not undermine objectives set in the development policy. The interviews conducted in Mozambique confirmed that there is a lack of instructions and guidelines concerning policy coherence between the 20-20-20 targets and development aid in the context of Mozambique. Thus, my analysis shows that there is a strong presence of discursive coherence despite a lack of de facto/performed coherence on the ground – in this case Mozambique.

The lack of coherence undermines the EU's legitimacy as an international actor in general but also as a champion of development as well as an environmental leader. When it comes to the former the legitimacy of EU development assistance can be questioned if the claimed objectives of food security and energy security in the Mozambican context are undermined by export of biofuels to the EU, which demand these biofuels to fulfil internal climate and energy targets. Although, there has not been any export of biofuels to the EU yet, the EU is an explicit target market for the biofuels produced in Mozambique. This was confirmed by several sources during the field work in Mozambique e.g. NGOs, the Government as well as the private sector. Secondly, the EU's legitimacy as an international leader in environmental politics can be questioned if the means by which the EU is pursuing its ambitious climate and energy objectives are actually undermining the reduction of GHG as well as the mitigation of climate change. These issues have been raised in connection to biofuels and questions have been raised about the actual gain of GHG reduction due to ILUC in the production of biofuels.

Although it remains difficult to assess the outcomes of multiple policies such as the development-energy nexus, it is pertinent for the EU to improve its PCD not only for the sake of mitigating climate change but also to safeguard its international legitimacy. An actor which takes away with one hand what it gives with another hand loses credibility. The EU itself has indeed claimed that PCD is important for its international credibility. Therefore the discrepancy between the discursive coherence and the performed coherence should be eliminated both for the sake of EU's legitimacy but also for the sake of sustainable development as well as the well-being of the rural communities in Mozambique.

Appendix 1

Interviews in Mozambique – 8 in total

- Boris Atanassov – Independent consultant
- Claudio James – Director General Petrogás, part of PetroMoc
- Hélio Neves - Head of Analyse and Information Department CEPAGRI
- Jorge Manuel Manjate – Natural Resources Manager Biofuels Programme CEPAGRI
- Marta Susana – Directorate for Renewable Energy, Ministry of Energy
- Diamantino Nhampossa, WE Effect, NGO representative
- Tankar, Centro Terra Vida, NGO representative
- Giancarlo Monteforte (rural development) and Ana Margarida Tome De Freitas Mariguesa Lorentzen (infrastructure and energy), EU delgation

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