

## ABSTRACT

The controversy of Renewable Energy Directive II (RED II) sparked off when it ascertains the unsustainability of palm oil as the compound of biofuels. The use of palm oil for biofuels is considered to have an adverse impact towards the environment, such as deforestation and land-use change. Major palm oil exporters countries like Indonesia and Malaysia deny the accusation, calling the RED II as barriers to international trade, proven by Indonesia's recent complain to WTO about this environmental policy of European Union. Looking at EU's domestic dynamics, the formulation of RED II is accompanied by the steady and gradual rise of Green party coalitions in the European Parliament, who has since gained prominence in European policy-making through the introduction of codecision procedure in 1992. Green party is known for their ideology of environmentalism. Combining the idea of ecological citizenship and norm-life cycle theory, this thesis aims to explain the influence of Green party in EU's environmental policy, which ultimately affected EU external trade relations. Through this research, it has been found that the presence of Green party coalition in policy-making institution has shaped the trajectory of EU's environmental policy, by mainstreaming the discourse of environmental sustainability. This particular trajectory led to the disparity of value between Europe and the world, resulting in the backlash of against RED II.

**Keywords:** *European Union, Green party, environmental policy, renewable energy directive, palm oil*