“A Partnership for Strategic Autonomy?”

The EU-Chile “Advanced Framework Agreement” and the geopolitical role of the EU

Marcello Galuzzo

Centre for European Integration Research

Working Paper Series

Working Paper No. 01/2025

Centre for European Integration Research
Department of Political Science
University of Vienna

Apostelgasse 23
1030 Vienna/Austria

Telefon: +43-1-4277-49456

Email: eif@univie.ac.at
Web: eif.univie.ac.at

Abstract

This master thesis seeks to assess the extent to which the recently signed Advanced Framework Agreement between the European Union and Chile contributes to the strategic autonomy of the EU in the field of critical raw materials. To this end, the first step of the analysis consisted in working on the concept of strategic autonomy as it has been previously employed in different contexts, in order to attempt an articulated definition of the same. This resulted in a formulation comprehensive of three dimensions (access to raw materials, diversification of supply chains, and choice of a qualified partner), corresponding to a set of requirements to be ideally fulfilled by the Agreement. Each of the above dimensions was subsequently evaluated on the basis of a qualitative content examination of the provisions of the Agreement, reliable media reports, academic literature, and data from relevant statistics on democracy, labour rights and environmental standards, issued by authoritative agencies. In the final sections, the outcome of the assessment (incomplete contribution of the Agreement's to EU's strategic autonomy, owing to Chile's partially inadequate environmental policies) is expounded, put into context and commented in detail.

Authors

Marcello Galuzzo is a graduate of the University of Vienna (Master's programme).

Table of Contents

List of abbreviations

AA: EU-Chile Association Agreement

AFA: EU-Chile Advanced Framework Agreement

EV: Electric vehicle

FTA: Free-Trade Agreement

ESS: Energy Storage System

ITA: Interim Trade Agreement

LFP: Lithium Iron Phosphate

NMC: Nickel-Manganese-Cobalt

NZS: Net-Zero Scenario

OSA: Open Strategic Autonomy

SME: Small and Medium-sized Enterprises

SP: Strategic Partnership

TFEU: Consolidated version of the Treaty on the Functioning of the European Union

List of tables

List of figures

1 INTRODUCTION

Although at times perceived as a rather elusive one[1], with a variety of implications in several policy fields, the concept of *strategic autonomy* has been, in recent times, consistently and assertively employed in programmatic statements by some major European leaders.

In the words of Charles Michel, President of the European Council, strategic autonomy is "goal #1 for our generation".[2] In an interview with the influential media source *Politico*, French President Emmanuel Macron stated that, in the current geopolitical landscape, characterised by the competition between the US and China, Europe "gets caught up in crises that are not ours, which prevent it from building its own strategic autonomy"[3]. The president of the European Commission Ursula von der Leyen, in her 2023 speech on the State of the Union, affirmed that "Our Team Europe approach has enabled us to be more strategic, more assertive and more united" and that "In a world where size and weight matters, it is clearly in Europe's strategic and security interests to complete our Union."[4]

Whether and how the European Union has adopted an unprecedented geopolitical posture in the direction of strategic autonomy, is a highly debated subject that is currently the object of discussion in the literature (Diez T., 2004; Lavery, S., & Schmid, D., 2021; McNamara K. R., 2023; Radu, R. 2023). However, apart from statements by various European high-level politicians, there seems to be a lack of empirical evidence that exemplifies how this new stance manifests itself.

This thesis looks at one of the most recent developments in the European Union's industrial policy, the Advanced Framework Agreement signed on 13th December 2023 between the EU and Chile, enquiring about its concrete contribution to what is defined as *strategic autonomy*. The above mentioned agreement represents a very ambitious effort on the part of the European Union to engage with one of the countries disposing of the most sizeable resources of lithium, the fundamental element in the production of electrical batteries for new

[1] Helwig N. (2022), p.21 / Béland, D. and Cox, R.H. (2016)
[2] Michels, C. (2020), Twitter, September 8 2020, retrieved from https://twitter.com/eucopresident/status/1303312704015347712?lang=en on 27/11/2023
[3] Anderlini, J. & Caulcutt, C. (2023), https://www.politico.eu/article/emmanuel-macron-china-america-pressure-interview/
[4] European Commission, (2023c), https://ec.europa.eu/commission/presscorner/detail/en/speech_23_4426

generation E-vehicles and other applications that are essential to the completion of the green and the digital revolution.[5] By securing access to this critical raw material - and improving political collaboration with Chile in general - the EU seeks to enhance its independence at the supply chain level and reduce the risk of bottle-necks that could be caused, in particular, by China, a *systemic rival* which holds, at present, an almost monopolistic position in this domain.[6]

1.1 Research Question

With strategic autonomy becoming a recurrent theme in the high-level political discourse as well as in the media covering EU policy and in academic literature, the recent Advanced Framework Agreement can provide a meaningful case study for both a more precise definition of the concept, and the assessment of its concrete implementation in a specific instance. In other words, the work seeks to provide a reasonable definition of strategic autonomy gathering elements from the broader debate on the subject, and then check its degree of applicability to the trade agreement in question.

In accordance with what stated above, the following research question is formulated:

> *To what extent does the EU-Chile Advanced Framework Agreement contribute to the strategic autonomy of the European Union?*

In order to put into perspective and evaluate the latest bilateral agreement between the EU and Chile, it is appropriate to consider the increasingly more assertive stance that the European Union is adopting in international affairs, as exemplified by Von der Leyen presidency's pledge for a "geopolitical Commission"[7], that was expressed – significantly - on the eve of the multiple crises the EU has been confronted with since 2020. The COVID pandemic and the Russian invasion of Ukraine, in particular, have stressed supply chain vulnerabilities and dependencies that needed to be addressed in a drastic manner. Considering the case of Russia's illegal military aggression, questions of collective security for European countries were raised that *de-facto* resulted in an increase of military spending

[5] European Parliament (2023a)
[6] Department of Industry, Science and Resources (2024), p.151
[7] European Commission (2023a)

to aid the Ukrainian resistance on the one hand, to ramp-up European defence on the other.[8] In parallel, these outcomes were reinforced by the threat of a gradual disengagement and isolationist behaviour on the side of the USA. All these factors have contributed to creating advocacy for the EU to become an increasingly more substantial security actor.[9] In parallel, the necessity to drastically reduce oil and gas imports from Russia as a retaliation measure had significant economic repercussions and prompted efforts to phase out an economy based on such natural resources. As a result, the European Union is currently primarily concerned with limiting energy dependencies that may harm its long-term objectives: climate neutrality, economic security and increase in defence capabilities.[10] Undistorted access to critical raw materials constitutes a necessary prerequisite for the EU to accomplish such goals.

As of today, the primary challenge in this scenario is represented by the virtual monopoly held by China along the whole lithium battery supply chain. Coherently with the above mentioned objectives, the EU is looking to reduce such dependency, meanwhile building up its own capabilities in the sector.[11] Under this logic, the implementation of the Advanced Framework Agreement, containing important provisions on critical raw materials - lithium in particular as an essential component for battery production - seems, at one time, to exemplarily fit and define the strategic autonomy rationale in a pragmatic application.

1.2 Structure of the work

This thesis is fundamentally structured in two parts. The first is concerned with introducing the topic and summarising the state of the art of the Advanced Framework Agreement between the European Union and Chile. In the second part, both analysis and empirics are employed in the attempt to answer the research question. In Chapter 1, the relevant literature on the topic of European Strategic Autonomy is reviewed in order to set the notional background for the dissertation. Chapter 2 is aimed at providing the theoretical framework for a definition of EU strategic autonomy as referred to the supply of critical raw materials. Chapter 3 provides an overview of the methodology employed and explains how the

[8] Giuli, M., & Oberthür, S. (2023), p.395
[9] Tocci N. (2021), p.3-4
[10] Bille B. (2024), p.4
[11] Müller B., Ghiotto L., Bárcena L. (2024), p. 10

definition previously elaborated is operationalized in order to answer the research question. Chapter 4 represents the empirical basis for the following analysis. Here, the strategical context within which the Agreement was conceived is presented with particular focus on the EU's dependency on China along the battery supply chain with a focus on lithium, and its involvement in battery production. Providing such background information serves the purpose of highlighting the main rationale behind the negotiations for the Agreement. The gradual evolution of the EU-Chile trade relationship is presented in the following subchapters with the analysis of the legal documents, in particular the Association Agreement, the Interim Trade Agreement, the Advanced Framework Agreement and the Memorandum of Understanding.

Finally, the concluding chapter introduces a critical review of the results obtained from the study and suggests further research and discussion areas that could stem from this work.

1.3 Literature review

The literature dealing with the EU's strategic autonomy at large is currently expanding. In particular, due to the relatively recent and somewhat ambiguous nature of the topic, there have been various attempts at conceptualising and delivering a comprehensive definition of the term. On the other hand, in a context of general scarcity of publications focused on specific trade agreements contributing to strategic autonomy, relatively little attention has been devoted to EU-Chile relations and their geopolitical relevance in this respect, with a majority of scholars mainly focused on evaluating the impact, in economic terms, of the Association Agreement of 2002. In this regard, the present work seeks to provide an example which may help define the still somewhat ambiguous concept of strategic autonomy, as well as define a theoretical framework for a principle which is likely to play a primary role in future EU decision-making.

The research has contemplated the available literature concerning European strategic autonomy, the EU-Chile Association Agreement and the Advanced Framework Agreement. The materials were obtained through the University of Vienna's "u:search" database, which in turn granted access to *Scopus*, the *Social Science Citation Index* and *Jstor*. Authoritative journals on EU policy such as the *Journal of Common Market Studies*, the *Journal of*

European Public Policy and the *Journal of European Integration*, were also consulted for valuable insights, mainly on the topic of critical raw materials, European strategic autonomy, and the Association Agreement. As already mentioned, due to the recent nature of the Advanced Framework Agreement, its implications in terms of European strategic autonomy, have not yet been discussed in the literature. The keywords employed to retrieve the material were "Strategic Autonomy", "EU-Chile Trade Agreement", "Advanced Framework Agreement" and "Critical Raw Materials".

In general, there seems to be consensus among scholars that the emergence of a new geopolitical context has raised the issue of the European Union's actorness in international affairs. Early attempts to define the particular geopolitical posture of the European Union are **Manner's, (2002**) "normative power EU" concept or alternatively **Damro's (2012)** article, which describes the EU as a "market power".

The way in which the EU exerts its influence on the international stage has also been described through the so-called "Brussels Effects" concept by **Bradford, (2012**). Also, **Diez T. (2004)** provides an account of how Europe's geopolitisation has developed through discourse and *othering* practices, meaning the construction of one's own identity through the juxtaposition to something external. According to the author, since the Maastricht Treaty, the EU has progressively shifted from the idea of defining its identity against its own past, to the sphere of cultural and geographical *othering* practices, which suggests a return of geopolitics in the European discourse [12]. A similar trend might be observed today, with the current geopolitical context raising new questions of identity regarding Europe and its place within the international system.

All these perspectives portray different aspects of the European Union's external action and deserve being considered. However, most recent developments have sparked new discussions on the geopolitical role of the EU which seems to be revolving around the concept of strategic autonomy.

Though it has been circulating for some time, it is only recently that the term *strategic autonomy* has established itself as a recurring theme in the literature concerning the EU's

[12] Diez T. (2004), p. 320

political discourse. In a relevant article, **Michaels E. & Sus M. (2024)** trace its history back for over 25 years. Dating from the Saint-Malo declaration in 1998, it has been repeated again in 2013, 2016 and, notably, in 2020, when the adjective "open"[13] was added to the expression. This interesting overview also highlights the fact that "the notion of strategic autonomy experienced a thematic shift away from traditional security and defence questions"[14], while **Rieker, P., & Giske, M. T. E. (2024)**, in their book *European Actorness in a Shifting Geopolitical Order, European Strategic Autonomy Through Differentiated Integration* the identify the twofold nature, military and non-military, of strategic autonomy in EU policies. If, on the one hand, Europe must be able to provide for its own defence rather than heavily rely on the protection offered by the US through NATO, on the other, it needs to secure resiliency against hybrid threats. In other words, if the Russian invasion of Ukraine has triggered discussions over military strategic autonomy, the overall geopolitical context, characterised by growing competition and new alignments along political system lines, has produced concerns about intentional harmful practices such as supply chain disruptions, hybrid warfare, disinformation campaigns etc.

Jacobs T. et al. (2022) provide an account of how already during the COVID-19 crisis there was a surge in discourse around strategic autonomy, and the notion of *resilience* associated to trade policy. Here, an early definition of strategic autonomy is specifically focused on the need to build *resilient supply chains*[15]. In this context, the concept of *open strategic autonomy* (OSA), is introduced to indicate a leading role of Europe on a range of issues, in line with the new geopolitical attitude of the Commission, aimed at building stronger alliances with compatible partners and initiate a new type of globalisation, centred around sustainability and rules based on international law. At the same time, open strategic autonomy has a tougher side, characterised by a renewed assertiveness in protecting European business against perceived unfair practices as well as in the diversification of supply chains.[16] Though originally applied to the context of the COVID pandemic, these concepts are still at the core

[13] Schmitz, L. & Seidl T. (2023), p. 845
[14] Michaels E. & Sus M. (2024), p. 383-384
[15] Jacobs T. et al., (2022), p. 10
[16] Ibidem

of OSA, especially when it comes to evaluating strategic dependencies and overreliance on single providers.

In his contribution, **Hoffmeister F. (2023)** also provides an overview of the political origins of strategic autonomy and its various subsequent applications in foreign policy, economics and trade policy and suggests a legal definition for the term: "Striving for multilateral solutions, while being able to take lawful action alone to safeguard the Union's values, fundamental interests, security, independence and integrity!"[17]

The analysis by **Juncos A. et al. (2024)** compares the different impact of strategic autonomy on security and external economic policies, observing that, due to its greater power of initiative in this domain, the Commission has played a forefront role in pushing for the adoption of an enhanced geopolitical role of the EU in economic matters, rather than in matters of security. Again, the discourse around strategic autonomy shifts from a securitarian to an economic perspective: "This analysis demonstrates that the ability of ideational entrepreneurs such as the Commission's Directorate-General (DG) Trade, to push for this idea, supported by the coercive power derived from its exclusive trade competences, facilitated the adoption of this concept in the form of OSA."[18] Similarly, **Csernatoni R. (2022)** notes how strategic autonomy and sovereignty discourses have migrated from the member-state level to the "high politics" realm, and, how this has specifically occurred in the context of tech and digital politics, so as to enhance their strategic significance for the entire Union.[19]

Lavery S. (2023) discusses strategic autonomy as a manifestation of Europe's new place in the world economy, once closely linked to the US, and indiscriminate market openness, to a *Fortress Europe* approach, which would become a *selective fortification* against international competition: "Over the past decade, there have been signs that a reconstruction of the Fortress Europe vision might be taking place from amongst the rubble. EU Policymakers, member states and organised business groups have rediscovered the language of European economic

[17] Hoffmeister F. (2023), p. 673
[18] Juncos A. et al. (2024) p. 956
[19] Csernatoni S. (2022), p. 395

autonomy"[20]. Nevertheless, the author concludes that Europe, while developing some more classic protectionist measures, remains still substantially embedded in the "Atlantic" system characterised by openness

Similarly, **McNamara K. M. (2023)** argues that, in recent times, the EU has shifted its traditional neoliberal market-making approach towards more active government interventions driven by geopolitical considerations.[21] **Couvreur S. (2024)** points out the renewed stance adopted by DG Trade within the Commission, which has shifted, following the international geoeconomic turn in international trade policy: "We also find cases of instrumental conversion, whereby DG Trade's 'liberal' policy tools, such as trade agreements, are increasingly repurposed for geoeconomic objectives, such as obtaining critical raw materials."[22]

It is thus that a wide strand of literature has considered the origins of the strategic autonomy discourse and recorded its gradual transfer from the sphere of security, to mainly economic matters. As the concept in itself implies a new posture towards international partnerships, trade policy in particular, has gained considerable importance in the direction of strategic autonomy. Compared to previous times, the rationale guiding trade agreements has shifted towards the effort to differentiate supplies of goods addressing *like-minded* partners that are unlikely to use their dominant place in the market to exert pressure or commit infractions without fearing consequences.

The particular need of accessing the critical raw materials necessary to achieve the objectives of the European Green Deal is also covered in the literature. In this regard, **Leonard M. et al. (2021)** have analysed in their contribution the geopolitical implications of the European Green Deal, and framed it as a foreign policy instrument that may affect other entities, especially oil and gas exporting countries. Concerning strategic autonomy - even before the Ukrainian crisis came to put much greater urgency on such instances - the policy contribution

[20] Lavery S. (2023), p. 330-331
[21] McNamara K. (2023), p. 2372
[22] Couvreur S. (2024), p. 14

advocates for supply diversification through trade agreements, recycling and substitution practices.

Giuli M. & Oberthür S. (2023) argue that, following the Russian invasion of Ukraine, the EU has embarked in a more coherent climate policy. In fact, the acceleration in the transition from an oil and gas fuelled economy to sustainable resources can be regarded as a direct consequence of the ongoing conflict. To retaliate against the illegal aggression, the EU and most of its member states gradually severed their most important economic partnership with Russia. This resulted in a crisis that highlighted on one hand Europe's overreliance on a single provider, and the unpredictability and risk linked to trade partnerships between democracies and autocracies. Consequently, the EU looked to diversify its oil and gas supplies, while at the same time accelerating its phasing out of these resources towards a greener and digital economy. This also translated into the signing of trade agreements to secure the critical materials needed to push the transition. Moreover, a new emphasis on *like-mindedness* and compatibility of trade partners, as opposed to *systemic rivals*, has become a much reiterated rationale, mainly evoked in the explanation of the newly signed agreements. Against this background, **Paleari S. (2024)** considers the European Green Deal as a strategic project aiming to transform the EU into a climate-neutral and competitive economy by 2050. [23] Since Europe faces supply chain vulnerabilities to achieve its climate goals, Strategic Autonomy becomes paramount in this context.[24]

Besides security, trade and climate policy, as we have learned so far, the goal of strategic autonomy is pursued in other areas. Notably, **Broeders D. et al. (2023)** relate strategic autonomy to the concept of *sovereignty* - though emphasising the vagueness of both terms – focusing on its application in the digital policy domain: "The general backdrop of geopolitical rivalry between China and the United States that led to the EU's agenda of establishing itself as a strategically autonomous third actor acquires an extra layer when the competition concerns cyberspace and digital technologies."[25]

[23] Paleari S. (2024), p. 1
[24] Kalantzakos S. (2019), p. 3
[25] Broeders D. et al. (2023), p. 1202

In the light of the aspects just discussed, the recent signing of the Advanced Framework Agreement presented itself right from the start as a promising specimen to exemplify EU's efforts in the pursuit of strategic autonomy. Likewise, the evolution of the overall EU-Chile relationship was eventually taken into exam, in the perspective of Open Strategic Autonomy.

An early account of the EU-Chile relations preceding the AFA, is provided by **Garcia M. (2011)** who portrays the groundbreaking nature of the EU-Chile Association Agreement which liberalised 90% of trade flows between the two economies.[26] At the time, economic interest did not represent a major driver and the agreement even ran against the EU's trade policies, which preferred negotiations at WTO level rather than bilateral trade agreements. Moreover, the original idea of the Commission was to to negotiate two parallel agreements, one with Chile and one with Mercosur, with a view of bringing them closer together and have a single counterpart to deal with in the future: "The underlying logic to this was that if the EU created a free trade area and aided Mercosur to improve its own integration, there would be a greater incentive for Chile to fully enter Mercosur" [27] In the end, even though this outcome did not materialise, the Association Agreement was finalized, and resulted in a massive trade volume between the EU and Chile: "Chile's economic openness and the economic structure of its relations with the EU are circumstances that enabled this Agreement to go beyond deals with other parties. This was aided by the fact that in the EU–Chile relationship there were fewer sensitive agricultural products to exclude from the negotiations, thus allowing for greater liberalisation and negotiations on other issues."[28]

More recently, **Vásquez Torreblanca I. (2024)** acknowledged the need for the EU, since the war in Ukraine, to develop an open strategic autonomy which translates in finding "new networks and alliances". The case of Chile is specifically contemplated, with a significant note on how Chile's entrepreneurial diplomacy, aimed at attracting foreign investment for the development of its lithium value chain, represents an opportunity to enhance the country's international status and construct its own strategic autonomy[29].

[26] Garcia M. (2011), p. 502
[27] Ibidem, p. 509
[28] Ibidem, p. 519
[29] Vásquez Torreblanca I. (2024), p. 65

As a sum-up of the literature review we can conclude that:

- Though dating back almost 25 years, the term *strategic autonomy* has actually gained pre-eminence only in recent times.
- The term is ambiguous, with no univocal definition, although it is generally associated with the idea of control, sovereignty, self sufficiency, and the power to make independent decisions in one's own interest. It is frequently used with reference to the increasingly geopolitical stance assumed by the European Commission under Von der Leyen's leadership.
- The primary reasons for the recent revamping of this concept are to be found in the problems posed by the current geopolitical scenario, characterised by great power competition, supply chain disruptions, and war on European soil.
- From its original application in the military domain, the use of the expression *strategic autonomy* has increasingly shifted, in the European context, to the external economic relations and trade policy field, also due to the limited powers of the Commission in military matters and its comparatively more pronounced initiative in the economic sector.
- Strategic autonomy is also to be pursued in sectors fundamental for achieving the climate goals set in the European Green Deal, particularly concerning supply chains for critical raw materials.

The next chapter will deal with the theoretical framework of reference for this work. In particular, we will attempt a definition of EU strategic autonomy in the context of the supply of critical raw materials, arguably the most crucial aspect of the renewed European trade policies.

2. THEORETICAL FRAMEWORK, METHODOLOGY AND OPERATIONALISATION

As exposed in the previous section, there is no unique definition of strategic autonomy and various authors have contributed to framing the concept by looking at its application in a particular policy field. This work seeks to insert itself within the broader literature by

developing a definition of strategic autonomy as applied to the issue of critical raw material supply. This particular perspective was adopted in consideration of the paramount role that critical raw materials play for the broader long term objectives of EU policies in terms of economy, security, environment. If in fact, the EU should not dispose of wide access to these materials, if such access is restricted, blocked or is wholly dependent on one single provider, it would put the EU in a precarious dependency situation which could prove fatal for the attainment of the same objectives.

The definition of strategic autonomy employed in this work draws on of the concept of *control* contained in the definition of *digital sovereignty* developed by Falkner G. et al. (2024) who theorise it as follows:

> "The core of digital sovereignty stipulates the need for control of the digital […] Control implies the ability to influence and restrict the manufacturing (including the mining and processing of necessary raw materials), design, use, and output of digital technologies."[30]

Along these lines, our definition of strategic autonomy in the field of supply of critical raw materials implies that the EU is looking to exercise control in this domain, in the first place by securing access through trade agreements with exporting countries. Furthermore, the EU developed in its trade policy what is known as *open strategic autonomy*:

> "a narrative of a changing world in which the EU needs to achieve its autonomy through qualified openness: pursuing as much openness as possible whilst being as resilient and assertive as necessary. […] In this narrative, 'open' is not an oxymoronic addition to strategic autonomy. Rather, it reflects an internal logic whereby openness – for example, in the form of diversification of supply chains to ensure against supply chain bottlenecks – is key to autonomy, although openness can no longer be naively pursued."[31]

In our analysis we build upon these concepts, acknowledging the central role of diversification of supply chains and openness to *qualified* trade partners. This latter notion is to be interpreted as the respect of certain standards for cooperation, concerning democracy, environment and labour rights. In this sense the pursuit of autonomy for the EU becomes

[30] Falkner G. et al. (2024), p. 4
[31] Schmitz, L., & Seidl, T. (2023), p. 845-846

strategic as it seeks to engage with trade partners who share the same values and are therefore *like-minded* or *aligned*.

Based on the above considerations, we can summarize EU strategic autonomy in the context of the supply of critical raw materials as the ability of:

1) securing legitimate and safe access to the same,

2) diversifying supply chains (as established in the Critical Raw Materials Act),

3) operating a strategic choice of trade partners respectful of the above mentioned criteria of *qualified openness*.

Therefore, in our analysis, the contribution to EU strategic autonomy offered by the recent trade agreement between the EU and Chile will be evaluated to the extent that it will effectively comply with the requirements implicit in the above clauses.

The methodology employed in this work consists of qualitative content analysis of the trade agreements between EU and Chile, media reports, academic literature and statements by EU politicians dealing with the status of strategic autonomy as one of the rationales guiding the European Union's trade policies. Official documents issued by various European institutions, represent the primary sources for this thesis. The European Parliament's Legislative Observatory and *Eurolex* have been used to retrieve official texts by the European Commission, Parliament, and the European External Action Service. The original text of the Advanced Framework Agreement and of the Association Agreement as well as the Critical Raw Materials Act have also been retrieved thanks to these sources. A comparative analysis of the above documents was conducted to highlight the innovative aspects and geopolitical implications of the new trade relations between the EU and Chile.

The secondary literature was obtained using the University of Vienna's *u:search* database, as mentioned in the literature review (see section 1.3). In parallel, the media landscape covering the Agreement was explored, to gain a preliminary understanding of the implications of the Agreement within the more general framework of the Critical Raw Materials Act and the concept of European strategic autonomy. Among the sources consulted,

the *Euractiv* website and *Politico* web magazine, were the ones providing larger coverage and in-depth analysis on strategic autonomy and international partnerships. In order to substantiate the claim of a rooted and widespread geopolitical reasoning behind industrial policy decisions, various quotes by European officials and national leaders were retrieved thanks to these sources.

Our analysis starts from the previously elaborated definition of Strategic Autonomy based on the notion of *control*, which, in this particular context, embraces three dimensions: Access to raw materials, Diversification of supply chains and Strategic choice of partners. For each dimension a Yes/No evaluation system is applied, based on the attainment of specific requirements that represent the criteria for evaluation. The materials used are a qualitative content analysis of media, literature and statements by EU politicians and officials dealing with the status of strategic autonomy among the goals of the European Union's trade policies, alongside the content of the trade agreements between EU and Chile.

Considering the first dimension, control over raw materials implies access granted in the form of concessions to European public or private actors to extract and/or produce critical raw materials on Chilean soil. To evaluate adherence to these requirements the analysis considers the provisions in the Advanced Framework Agreement and compares them to the ones present in the previous Association Agreement to ponder eventual significant innovations in this regard.

As for the second dimension, diversification of supply chains equates to respecting the provisions of the Critical Raw Materials Act, which envision quotas on import, refinement and production, aimed at eliminating overreliance on a single provider. The provisions of the Agreement,, and of the Critical Raw Materials Act represents the information sources used in the evaluation.

The requirements concerning dimension three, i.e. strategic choice of a trade partner, are fulfilled by the latter's respect of shared standards regarding democracy, labour rights and the environment. In order to verify its eligibility as a *qualified* trade partner as implied in the

provisions of the Agreement, we evaluate the standing of Chile in the international rankings, issued by authoritative agencies relevant to the above mentioned principles, and compare it to those of potential alternative provider countries. The following published rankings have been taken into account: *Global State of Democracy (GSoD) Report*; *Global Rights Index*; *Labour Rights Index*, *Environmental Performance Index*. Fulfilment of all of the above requirements is the necessary condition for a positive evaluation under this dimension.

The analysis presents four possible categories of results: Full contribution to strategic autonomy, Incomplete contribution to strategic autonomy, Partial contribution, No contribution. Full contribution is achieved if all three categories are evaluated positively (three times yes) Incomplete contribution corresponds to 2 out of three categories (two times yes, one No). Partial contribution is one correspondence against two (one time Yes, two No). Finally, the Agreement is not considered to be relevant for strategic autonomy if no correspondence is found for each of the three categories (three times No). In the following table the operationalisation is represented graphically:

Table 1: Operationalization of factors to answer the research question (emphasis added by the author)

Dimensions of Strategic Autonomy	Indicators	Evaluation criteria
Access to raw materials: access granted in the form of concessions to European public or private actors to extraction and/or production of critical raw materials on Chilean soil	- Provisions in the agreement granting access for European firms to operate on Chilean soil	Yes / No
Diversification of supply chains: Respect of the provisions of the Critical Raw Materials Acts (quotas on import, refinement and production to limit overreliance on a single provider)	- Provisions in the text of the Agreement mentioning quotas on imports, production and refinement of particular raw materials	Yes / No

	- Comparison between benchmarks on import, refinement and production of critical raw materials present in the CRMA and provisions of the AFA	
Choice of qualified partner: respect on the part of the strategic partner of standards regarding democracy (including representation, participation, rule of law, civil and human rights), labour rights and environment	- Statements suggesting that the agreement is conditional on respect of **democracy**, **labour rights** and **environmental standards**. - Corresponding evidence in relevant statistics (Global State of Democracy (GSoD) Report; Environmental Performance Index; Global Rights Index, Labour Rights Index)	Yes / No Fulfilment (evaluation criteria: Yes) of all 3 requirements is the necessary condition for a positive evaluation.

Results:

- Agreement fully contributes to strategic autonomy (correspondence for all three categories; 3 times yes)
- Incomplete contribution to strategic autonomy: (correspondence for 2 out of 3 categories; 2 times Yes, 1 No)
- Partial contribution: (1 time Yes, 2 No).
- Agreement does not contribute to strategic autonomy: (3 times No)

The next chapter looks at the context within which the Advanced Framework agreement was signed and provides a brief history of the evolution of the relations between the EU and Chile since the Association Agreement, as well as an overview on the current state of art as of the time in which this work was produced (August 2024).

3 THE ADVANCED FRAMEWORK AGREEMENT

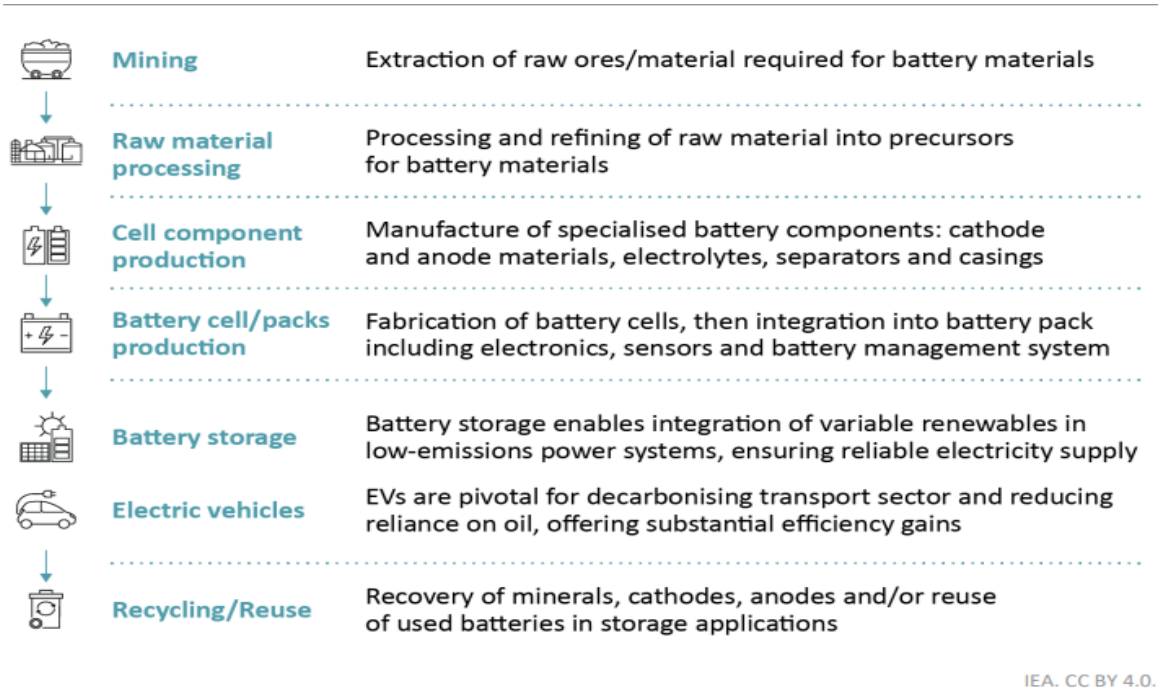
3.1 Context

Among the critical raw materials identified by the European Union in the Critical Raw Materials Act (CRMA), lithium holds particular relevance for our analysis, as it is fundamental for the dual transition (digital and green) envisaged by the European Union. Its use is in fact essential in the production of batteries for electric vehicles and energy storage systems crucial for the transition to a net-zero economy.[32] There are other raw materials that are equally important for building up a renewable energy infrastructure, however for these materials the EU does not face the same risk of supply shortage as it does for lithium, which is concentrated in specific regions of the world, while the almost totality of its refining and transformation in battery components takes place in China.[33] Understanding the process along the battery supply chain helps to throw a light on the challenges and dependencies that the EU faces in this sector and to realize the motivations behind the research of a closer collaboration with Chile, that led to the stipulation of the Advanced Framework Agreement.

The chart below provides an overview of the various stages in the battery supply chain. Each stage is considered against the background of the most recent (as of February2024) available official statistics in order to highlight the areas where the EU is seeking to intervene through its renewed trade agreement with Chile.

Figure 1: Battery supply chain

[32] Pacheco M. (2024), https://www.euronews.com/green/2024/05/09/critical-raw-materials-lithium
[33] Australian Government (2024), p. 143



Source: International Energy Agency, (2024a), p. 57;

3.1.1 Global Resources & Reserves

Lithium is a mineral found in nature, mainly essential for the production of electric vehicle batteries and energy storage systems. Globally, the top-three countries that dispose of the greatest resources are concentrated in the so-called *Lithium Triangle* region. These are Bolivia, (23 million tons); Argentina, (22 million tons) and Chile, (11 million tons)[34]. Other major lithium-rich areas are Australia and China, respectively holding 8.7 million tons and 6.8 million tons of resources.[35] Within the territory of the European Union the main resources of lithium are found in Germany (3.8 million tons), Czechia, (1.3 million tons) Spain (Spain, 320,000 tons), Portugal (270,000 tons), Finland, (68,000 tons), Austria, (60,000 tons)[36]. Resources technically represent the totality of the raw material that has been identified geologically. It comprises the current reserves and quantities of raw material that can be extracted in the future but have not yet been developed or evaluated for commercial use. Reserves are a subgroup of resources and indicate the amount of raw material that has been

[34] U.S. Geological Survey (2024), p. 111
[35] Ibidem
[36] Ibidem

discovered and estimated as economically exploitable with current technologies in a practical way.[37]

Chile holds the greatest lithium reserves in the world, amounting to 9.3 million tonnes, found mainly in the Atacama desert area, followed by Australia with 6.2 million tonnes, Argentina, (3.6 million tonnes) and China, (3 million tonnes).[38]

Lithium reserves represent an important asset as it is from here that the extraction of the raw material takes place. However, not all countries that dispose over large quantities of both resources and reserves have yet developed the capacity to extract lithium for commercial use. This is for example evident in Bolivia, often described as the *Saudi Arabia* of lithium, which for various reasons was not yet able to develop an extraction infrastructure.[39] Also on European territory projects are still underway to develop capabilities over the whole supply chain but, as of 2021, the only country capable of extracting lithium effectively was Portugal.[40]

3.1.2 Mining

Lithium can be sourced mainly by three types of deposits: clay, hard-rock and brines (concentrated salt water ponds found mainly in the Andes).[41] Hard-rock mines are found extensively in Australia, while China disposes of both hard-rock and brines within its territory.[42]

Extraction from salt brines has a lower environmental impact in terms of emissions and is cheaper compared to hard rock mining as it relies mainly on solar energy.[43] On the other hand, this type of extraction uses large quantities of water and can take a relatively long time until lithium is extracted:

---

[37] Ibidem, Appendix B, p. 207
[38] Ibidem, p. 111
[39] Bastida A. et al. (2023), p. 2
[40] European Commission (2023f), Raw Materials Information System, Lithium https://rmis.jrc.ec.europa.eu/rmp/Lithium
[41] Bastida A. et al. (2023), p. 1-2
[42] Bastida A. et al. (2023), p. 1-2
[43] Ibidem p. 5

> "Brine pumped from underground is placed in large evaporation ponds, where it is exposed to the desert sun and winds until the water evaporates and a lithium concentrate is formed. During the process, other salts contained in the brine crystalize and are periodically harvested from the ponds and stored in stockpiles for use in other applications or for disposal. Lithium concentrate is then sent to processing plants, where the remaining impurities are removed. The drawback of the evaporation process is that it is long, it could take from six to 18 months."[44]

Debate over the broader environmental impact of this extraction technique for the local fauna and indigenous communities is still ongoing, with the main concern being the water-intensive nature of the extraction process in an area of the world in which hydrological resources are scarce.[45]

Considering the world's leading lithium producers in 2023, Australia holds the first place with 86,000 metric tonnes (mt) Chile is second with 44,000mt followed by China (33,000mt) Argentina (9.600mt) and Brazil (4900mt).[46] Production in this context means the extraction of raw lithium from its natural place through various techniques. After the extraction, lithium can be processed and refined into precursors for battery materials. Due to its limited extraction capabilities the European Union imports raw lithium mainly from Australia.[47]

3.1.3 Raw material processing

As shown in Figure 2 China acts as the world leader by refining over 60% of all global lithium. In 2023, 98% of all lithium extracted from hard rock mines in Australia, which represents 45% of global lithium extraction, was exported to China for refining.[48] The only other country to somewhat challenge China's refining monopoly is Chile, which profits from the evaporating brines extraction method that produces lithium carbonate used in Lithium Iron Phosphate (LFP) batteries that does not need further refining.[49] However lithium

[44] Ibidem
[45] Ibidem
[46] U.S Geological Survey (2024), p. 111
[47] European Court of Auditors (2023), p. 31
[48] Department of Industry, Science and Resources (2024), Resources and energy quarterly: June 2024, downloaded as pdf. https://www.industry.gov.au/sites/default/files/2024-06/resources_and_energy_quarterly_june_2024.pdf, p. 143
[49] Ibidem. p. 150

carbonate must be refined into hydroxide to be used for Nickel-Manganese-Cobalt (NMC) batteries, which are more diffused in Europe for the higher autonomy they grant to EVs. Chile does not dispose of large refining capacities for lithium hydroxide, and for this reason most of the Chilean lithium sourced from brines is still shipped to China for further refinement.[50]

According to the Raw Materials Information System of the EU (referenced to the 2012-2016 period), the EU imports around 79% of refined lithium from Chile, 7% from Switzerland 6% from Argentina and a remaining 8% from other countries.[51] Australia, Chile and the EU are currently investing in their local refining capacities to be able in the future to extract and refine lithium on their territory in larger quantities and thus cut their over-reliance on China:

> "European lithium integrated (mining and processing) and non-integrated (processing) projects under development include AMG Lithium (non-integrated project in Germany and likely the first processing plant coming online in Europe); RockTech Lithium (non-integrated project in Germany and Romania), Vulcan Energy Resources (integrated project in Germany); Northvolt and Galp (non-integrated project in Portugal), Lithium de France (integrated project in France) and Imerys (integrated project in France)."[52]

However projects on European soil are still at their initial stages and it seems unlikely that China's dominance in this sector will be challenged in the immediate future.

The development of processing capabilities is crucial to mitigate the risk of supply disruptions and ensure an ecosystem that does not rely on one single producer and is able to meet part of domestic demand for lithium.

3.1.4 Cell component production

China sports a fully integrated supply chain within its territory. It disposes of large resources and reserves both from hard-rock and brines. It extracts and refines materials from its own territory as well as those coming from South America and Australia, and turns them into

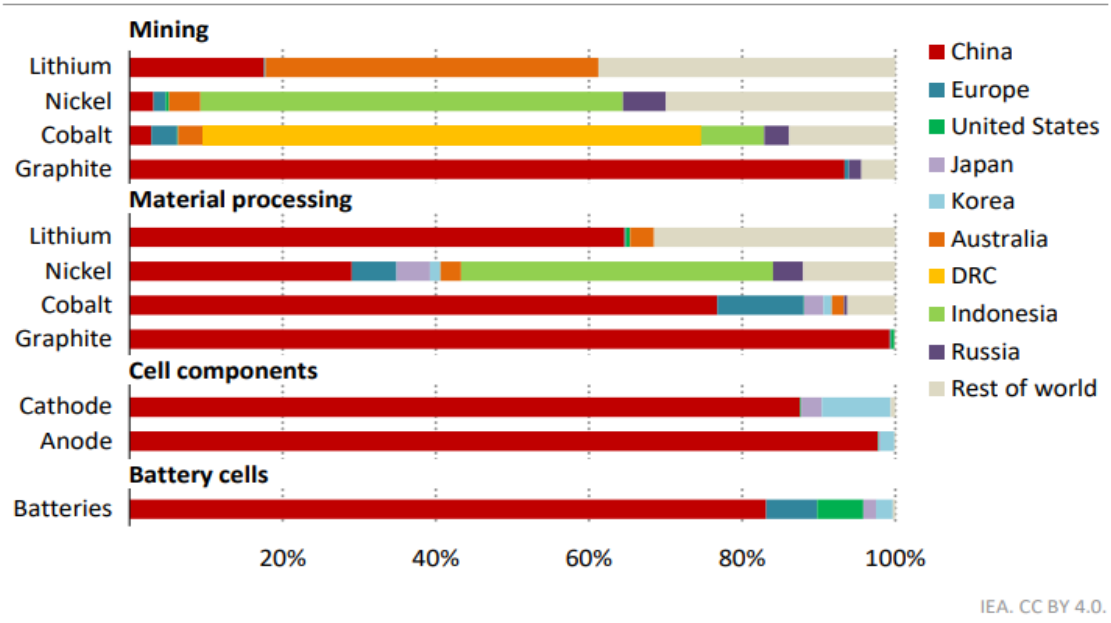
[50] Department of Industry, Science and Resources (2024), p. 151
[51] European Commission (2023f), https://rmis.jrc.ec.europa.eu/rmp/Lithium
[52] Bille B. (2024), p. 15

battery components such as cathodes, anodes electrolytes, separators and casings essential for battery cells production.

At this stage, China becomes dominant in the international supply chain. As shown in Figure 2, China's production exceeds 80% for cathodes and even 90% for anodes. Korea and Japan follow in this ranking scoring only 9% and 3% of cathode manufacturing capacity.[53]

The EU does not dispose of large cell components production capabilities and must rely on Japanese and Korean companies based on its soil for the transformation of refined lithium into battery components.[54] However, the attractivity of the low-cost and long-established process in China represents a decisive factor. Therefore, most of the imported lithium is still shipped to China where it is transformed into battery components which are then brought back to Europe to be assembled in batteries for EVs.

Figure 2: Geographical distribution of the global battery supply chain



Source: International Energy Agency (2024a), p. 58;

[53] International Energy Agency (2024c), p. 80
[54] Bille B. (2024), p. 10

3.1.5 Battery cell/ pack production

China holds over 80% of battery cells global production capacity (Figure 2). The US and EU hold some capacities at this stage, though more concentrated in assembling the cells in battery packs. Some factories directly produce battery cells using imported refined components from China but the majority are focused on assembling finished batteries into packs that constitute the power engine of EV: "In Europe, the largest battery producers are Poland, which accounted for about 60% of all EV batteries produced in the region in 2023, and Hungary (almost 30%).[55]

However only a small percentage of European companies can manufacture battery cells and packs. Additionally, most companies operating on European soil are not European:

> "Just as for current capacity, announcements for additional EV battery manufacturing capacity in Europe and the United States are primarily made by foreign companies headquartered in Asia […] About 75% of existing European manufacturing capacity is owned by Korean companies, with LG's plant in Poland accounting for 50% alone. "[56]

Therefore car companies that produce electric vehicles rely largely on batteries fabricated by foreign companies operating on European soil, or directly import electric batteries manufactured in China.

3.1.6 EVs / battery storage

Pushed by environmental policies and emission reduction objectives, European car-companies are accelerating their transition to electric vehicles. Battery packs assembled at the precedent stage of the supply chain are integrated in EVs in Europe: "Germany leads the production of EVs in Europe and accounted for nearly 50% of European EV production in 2023, followed by France and Spain (with just under 10% each)."[57] The market share of European car manufacturers remains competitive with the Chinese and American counterparts:

[55] International Energy Agency (2024), p. 80
[56] Ibidem
[57] Ibidem

> "In 2023, just under 60% of new electric car registrations were in the People's Republic of China [...], just under 25% in Europe, and 10% in the United States – corresponding to nearly 95% of global electric car sales combined. In these countries, electric cars account for a large share of local car markets: more than one in three new car registrations in China was electric in 2023, over one in five in Europe, and one in ten in the United States."[58]

Nevertheless, China remains at the top in this sector, thanks to its dominant position in the supply chain for batteries production, huge internal market and government subsidies. To counter what were perceived as unfair market practises, the EU has responded by investigating imports of EVs from Chinese companies accused of receiving government subsidies that allow them to sell at artificially low prices on European markets. This measure could lead up to compensating customs on imported vehicles in order to protect European producers.[59]

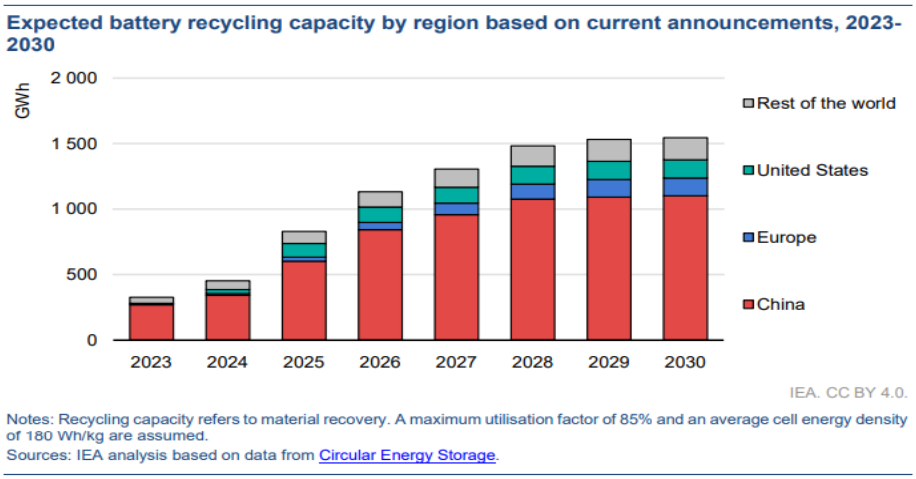
3.1.7 Recycling / reuse

To meet the growing demand for lithium and reduce dependence from imports, the EU needs to develop an advanced and efficient recycling infrastructure. According to the International Energy Agency 2024, Global EV Outlook the EU lags behind China even at this level: "Global recycling capacity reached over 300 GWh/year in 2023, of which more than 80% was located in China, far ahead of Europe and the United States with under 2% each."[60]

Reasons for this disparity are, among others, the high cost of recycling compared to relatively low raw lithium prices, lack of more recyclable End of Life batteries (EOL) and limits to waste transportation within the EU.[61] Despite China's dominance, efforts have been made, notably through the European Battery Alliance, the Critical Raw Materials Act and investment in European gigafactories, to address this challenge and, as Figure 3 shows, Europe should grow to approximately 10% of the global capacity by 2030.

[58] International Energy Agency (2024), p. 18
[59] European Commission (2024) https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401866
[60] International Energy Agency (2024), p. 145
[61] Bille B. (2024), p. 24

Figure 3: Expected battery recycling capacity by region based on current announcements 2023-2030



Source: International Energy Agency (2024c), p. 146

3.1.8 Conclusion

After having considered the current state of the criticalities faced by the European Union along the lithium battery supply chain a few conclusions can be drawn.

1. The EU disposes over some resources of lithium within its territory, which have not yet been developed for commercial use except for Portugal
2. The greatest reserves of lithium are found in Chile which is the second greatest producer of lithium globally
3. China dominates the supply chain at three crucial levels: 1) 60% of global refining of raw lithium (imported from South America and Australia) 2) over 80% of global cell component production and 3) over 80% of global battery cell production
4. Increases in demand for EV will push demand for batteries and therefore for lithium. In order to reduce its over-reliance on China, the EU needs to prevent supply chain bottlenecks by building up its supply from third countries, as well as its extraction and refining capabilities, battery components production and recycling capacity.

Summing up: the European Union has a strategic interest to develop the entire batteries supply chain, for reasons of resilience of supply and sustainability considerations; for this to

happen, undistorted access to imports of the primary raw material is essential; without access to sufficient lithium, there is a risk that the development of a strong EU battery production will be delayed or even derailed. This considered, the first step consists in diversifying the supply of lithium by investing and engaging with lithium-providing countries (mainly Chile and Australia). Secondly, the EU needs to ramp up mining, refining and battery components capabilities within its territory and in collaboration with international trade partners in order to mitigate China's monopoly in this domain. Finally, in order to minimise raw lithium requirements, and face potential supply chain disruptions, recycling and reuse practices should be put in place.

In the next section, the importance of Chile as a strategic trade partner for the attainment of the above mentioned objectives will be evaluated. In particular, through the Advanced Framework Agreement, the EU seeks to seal a win-win trade partnership thanks to which trade barriers are removed, undistorted access to lithium is granted, sustainable mining and refining practices are put in place, and synergies for developing the remaining stages of the supply chain are agreed upon.

3.2 Chile as a strategic partner

Chile has the world's third largest lithium resources and holds the largest reserves located in the Salar de Atacama lake (see section 3.1). With worldwide demand for lithium predicted to increase ten-fold following the net-zero emissions scenario by 2050 (NZE)[62] Chile is looking to develop its production capacities accordingly. In fact, despite having the world's largest reserves, lithium production in the country is still underdeveloped and, due to its stricter private investment restrictions, was surpassed by Australia already in 2013.[63]

In Chile, lithium can only be dealt with by the State or by private companies in association with the government. To date, this has represented an obstacle for foreign investment:

[62] International Energy Agency (2024b), Global Critical Minerals Outlook p. 127, https://iea.blob.core.windows.net/assets/ee01701d-1d5c-4ba8-9df6-abeeac9de99a/GlobalCriticalMineralsOutlook2024.pdf
[63] Bastida A. et al. (2023), p. 5

> "In Chile, lithium was declared a strategic resource by former dictator Augusto Pinochet in 1979, which means the country's nuclear commission needs to grant approval for export quotas. In addition, new lithium projects need to get approval via a special lithium operation contract (CEOL, by its letters in Spanish) from the mining ministry. That has kept new investors at bay."[64]

Currently the only two companies operating in the Salar de Atacama are American Albemarle and the Chilean Sociedad Química y Minera (SQM, the world's second largest lithium producer) which have obtained administrative concessions from The Chilean Economic Development Agency (Corporación de Fomento de la Producción, CORFO), currently responsible for managing the salt flat. Companies operating in Chile have to face imposed caps to their lithium brine extraction, and have to sell 25% of their output locally at below-market prices to producers that commit to developing the lithium value chain within the country.[65] A recent example, saw a portion of lithium extracted by Albemarle and SQM, awarded to, and sold at preferential prices to a Chinese company that pledged to develop Chile's value chain:

> "The positive results of Chilean economic development agency Corfo's call to use part of the reserved quotas for value-added projects (awarded to private-sector Chinese company BYD) demonstrate that it is possible to develop the lithium value chain in Chile through a profitable business venture."[66]

In 2018 Albemarle increased its estimated lithium carbonate production to 145,000 metric tons until 2043[67] and SQM to 180,000 metric tons until 2030. Once the contracts have expired, the government will regain control of the extraction site[68]. The National Copper Corporation of Chile (Codelco) and SQM have agreed that once the concession expires the

[64] Ibidem p. 12
[65] Bastida A. et al. (2023), p. 4
[66] Government of Chile (2023) p. 11
[67] Albemarle Corporation (2018) https://www.albemarle.com/global/en/news/albemarle-corporation-receives-increase-lithium-quota-chile-operations
[68] Bastida A. et al. (2023), p. 12

state-owned company will acquire 50% of the share plus one to extend the contract until 2060[69].

Also Chinese companies invested in Chile's lithium extracting infrastructure as part of the Belt and Road initiative. In 2019 China's Tianqi Lithium Corporation acquired 24% of SQM.[70] This signalled China's willingness to acquire direct access to lithium reserves to keep its dominant role in the supply chain. Other investments in Argentina and Bolivia have been made with the same objective.[71]

Chile's willingness to attract foreign investment and diversify its trade partners has been signalled by President's Gabriel Boric's announcement on April 20, 2023, on the launch of a National Lithium Strategy. The strategy pending on Parliament's approval envisions mainly the State as the principal actor, with the creation of a National Lithium Company which will, in collaboration with the private sector, develop Chile's lithium production.[72] It also contemplates to create cathode, anode and electrolytes production capabilities in the country[73] and promotes more environmentally-friendly mining techniques, such as direct lithium extraction, which has the lowest possible environmental impact.[74] It seeks to differentiate stakeholders either from the private sector or through State partnerships "with the appropriate geopolitical balance"[75]. The strategy also pledges to tender exploration projects in areas where explorations were already conducted, to companies which will be granted exclusive rights if the site can sustain lithium production. On the other hand, strategic salt flats will be developed as a joint-venture with the state maintaining the majority share. [76]

[69] Cortés Leiss, B. (2024), https://www.bakerinstitute.org/research/chiles-new-lithium-strategy-market-boost-or-miss#:~:text=energyEnergy%20economics-,Chile's%20Lithium%20Production,the%20leading%20producer%20of%20lithium.
[70] De La Jara A. (2018) Reuters.com, https://www.reuters.com/article/business/tianqi-buys-stake-in-lithium-miner-sqm-from-nutrien-for-41-billion-idUSKBN1O217F/
[71] Bastida A. et al. (2023), p. 2 & p. 14
[72] Government of Chile (2023), p. 4
[73] Ibidem. p. 5
[74] Bastida A. et al. (2023), p. 21
[75] Government of Chile (2023), p. 16
[76] Ibidem, p. 21

In conclusion, it can be noted that Chile's renewed Lithium Strategy, focused on attracting foreign investment, represents an ideal condition for the EU, which is looking to gain access to lithium and develop its own value chain.[77]In the next section, we will consider the process which has led to the signature of the current Advanced Framework Agreement on 13 December 2023 between the European Union and Chile, and the various documents that account for the trade partnership. Particular attention will be granted to the parts dealing with critical raw materials and the building of a solid supply chain for lithium-ion battery manufacturing for the EU.

3.3 State of the agreements

In the light of the new challenges posed by climate neutrality objectives and supply chain vulnerabilities, exacerbated by a shifting geopolitical context, the European Union and Chile agreed to negotiate their current relations and come up with an updated trade agreement which responds to new political and economic priorities.[78]

As of the date when this work was produced (February 2025) the Advanced Framework Agreement had not yet entered into force. The procedure envisioned by the Consolidated Version of the Treaty on the Functioning of the European Union (TFEU) for a trade agreement with a non-EU country is the one enshrined in Article 218.

According to this procedure, the Council of the European Union authorises the opening of the negotiations. The European Commission (or the High Representative of the Union for Foreign Affairs and Security Policy, in matters related to the Common Foreign and Security Policy) conducts the talks.[79] The team works within the mandate given by the Council, and reports regularly to the Council on the progress of negotiations. After the negotiations are concluded, the Council adopts a decision to sign the agreement and, subsequently, another

[77] Reasonably, in the context of an increasing international competition for raw materials, China's presence in Chile may be seen as a potential threat to EU's ability to invest and extract lithium directly. The sheer vastness of the country's resources, however, makes it unlikely for a single actor to attain a dominant position that cuts out other competitors. Chile retaining control over its lithium resources, such scenario would also play against the country's own strategic interest in diversifying trade partners and exploiting competition in order to develop its internal capabilities in this sector.
[78] European Commission, (2023b)
[79] European Union (1957), https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:12008E218

decision to conclude the agreement.[80] Prior to this, the agreement may require the consent of the European Parliament, especially in cases involving significant matters such as trade agreements, association agreements, or areas covered by ordinary legislative procedures.[81]The Council's decisions related to the opening, signing, and conclusion of negotiations are taken on a qualified majority basis, unless the agreement concerns a field for which unanimity is required, or involves an area of EU's exclusive competence.[82] At this stage, a qualified majority in the Council is sufficient for the Advanced Framework Agreement to enter into force.[83]

Until the entry into force of the Advanced Framework Agreement, relations between the EU and Chile are based on the Association Agreement between the European Community and its Member States and Chile, which was provisionally applied as of 1 February 2003 and entered into force in March 2005.[84]

In the context of a mutual interest in the modernisation of the Association Agreement, leaders from the EU and Chile agreed to review the terms of their partnership during a meeting at the margins of the EU-CELAC (Community of Latin American and Caribbean States) Summit held in Santiago on 26-27 January 2013.[85]After internal consultations and the establishment of a dedicated working group, the Council authorised the Commission and the High-Representative of the Union for Foreign Affairs and Security Policy to negotiate with Chile on the modernisation of the agreement.[86]

On December 9, 2022 the European Commission, the High Representative and Chile reached an agreement and the document was signed on 13 December 2022.[87] On 5 July 2023 the European Commission submitted a proposal for a Council decision on the signing of the agreement.[88] On 18 July 2023 the European Commission and the Republic of Chile signed a Memorandum of Understanding on a strategic partnership on sustainable raw materials value

[80] Ibidem
[81] Ibidem
[82] Ibidem
[83] European Union (1957), https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:12008E218
[84] European Commission (2023d), p. 0
[85] European Commission (2023d), p. 0
[86] Ibidem
[87] Ibidem p. 1
[88] Ibidem p. 0

chains. On 29 February 2024 the European Parliament approved the Advanced Framework Agreement and Interim Trade Agreement with Chile.[89]

The modernisation of the Association Agreement is composed of two legal instruments: the Advanced Framework Agreement (AFA) covering the Political and Cooperation pillar and an Interim Agreement on Trade (ITA) covering Trade and Investment liberalisation.[90] After the Parliament approval, the Interim Trade Agreement provisionally entered into force as it did not require the approval of EU Member states.[91] The agreement in its entirety, will only be effective after the Council of the European Union authorises its conclusion. At this stage, the ITA will be replaced by the AFA after the approval by EU Member States.

In sum, the relations between Chile and the European Union are, as of February 2025, governed by fundamentally two agreements, the Association Agreement of 2002 and the Interim Trade Agreement (substituting part IV of the AA). Additionally the two Parties signed a non-legally binding Memorandum of Understanding to reiterate their commitment for a strategic cooperation on sustainable raw materials value chains.

3.4 Content of the Agreements

3.4.1 Association Agreement 2002

The Association Agreement essentially established a free trade zone with the objective to eliminate a considerable percentage of tariff and non-tariff barriers on various goods and services and thus foster bilateral trade between the EU and Chile. It promoted financial cooperation in key-sectors like industry, energy, agriculture and technology and increased investing.

Moreover, channels for political dialogue were established promoting democracy, human rights, rule of law, peace and international security. A joint commitment to sustainable development and environment protection, climate change and management of natural

[89] European Parliament (2023b)
[90] European Commission, (2023d), p. 1
[91] Gobierno de Chile (2023), https://www.gob.cl/en/news/european-parliament-approves-advanced-framework-agreement-and-interim-trade-agreement-with-chile/

resources was also included. Finally, cooperation on culture, education and social aspects were addressed with the purpose of fostering cultural exchange between the two countries.[92]

Since the signing of the AA, the European Union has become the third export market and the third source of imports for Chile. Whereas EU's imports mainly focus on agricultural and food products, and minerals (mainly copper and lithium), Chile imports mainly machinery, industrial equipment, vehicles, chemical and pharmaceutical products.[93] Additionally, the EU is one of Chile's main foreign investors. European firms are actively involved in the renewable energy sector, mainly solar and wind due to Chile's abundant natural resources. Lately the growing strategic importance of lithium led the parties to review and expand the scope of their agreement.[94]

Particularly relevant to our analysis are the parts of the Association Agreement that establish cooperation on raw materials. In particular, Annex X, which refers to article 132 on National Treatment, points at specific sectors where equal treatment is granted to individuals performing economic activities in one country: "[...] each Party shall grant to legal and natural persons of the other Party treatment no less favourable than that it accords to its own legal and natural persons performing a like economic activity."[95] Among these, in the mining and quarrying sector, lithium represents an exception as it represents a raw material deemed important for national security, concessions can only be granted by Presidential decree:

> "The exploration, exploitation and processing of lithium, deposits of any kind existing in ocean waters subject to national jurisdiction and those totally or partially located in certain areas of importance to national security with mining effects, the classification of which shall be made exclusively by law, may be subject to administrative concessions or special operations contracts, according to the requirements and conditions that may be determined by the President of the Republic in each case by means of an Executive Order."[96]

[92] European Union (2002), p. 4-5
[93] European Commission (2024b), https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/chile_en
[94] Ibidem.
[95] European Union (2002), p. 45
[96] Ibidem, Annex X, p. 1341

Concretely, these restrictions applied to lithium extraction activities, reflect the principle enshrined in Chilean legislation (see section 3.2) which reserves lithium to the State, which may concede concessions to companies involved in the extraction process through presidential decree[97].

The Advanced Framework Agreement seeks to address remaining restrictions on trade and expand the economic collaboration between the EU and Chile in areas not covered by the AA. Furthermore it envisages a more integrated collaboration on critical raw materials by prohibiting import-export monopolies and potentially limiting dual price mechanisms for European companies working in Chile.

3.4.2 Advanced Framework Agreement

The latest projections of global demand for lithium are reported as reasons for the newly formed Chilean government to ramp-up lithium production, battery supply chain and diversify economic relations.[98] The intention was officially expressed in the Lithium Strategy launched on 20 April 2023, which focuses on international cooperation and development of a local supply chain. Additionally the government is seeking to diversify trade partnerships in the light of geopolitical considerations.[99] In this context, Chile and the EU agreed to modernise their partnership based on the 2002 Association Agreement.[100]

The modernisation of the Agreement has generally the objective to deepen trade investment between the two countries by removing remaining trade tariffs on goods, facilitating trade in services and easing business for small companies[101]. In particular, the partnership offers

[97] Government of Chile (2023), p. 7
[98] Ibidem p. 4
[99] Government of Chile (2023), p. 7 & 16
[100] European Commission (2023g)
[101] European Commission (2023g)

enhanced opportunities for European companies to conduct lithium extraction processes and foresees cooperation on the development of the supply chain for battery production.[102]

According to its promoters, besides the strictly geopolitical implications, the strategic importance of the AFA lies in the fact that the parties declare to centre their collaboration on shared values of democracy, human and labour rights, and environmental standards:

> "Politically, the AFA with the Republic of Chile ('Chile') marks an important step towards strengthening the European Union's role in South America, based on shared universal values such as democracy and human rights. It paves the way for enhancing political, regional and global cooperation between two like-minded partners."[103]

Within the human rights pillar of the partnership there is also a mutual attention to the compliance with labour rights standards:

> "The inclusion of provisions on sustainable development would also have a positive impact on the promotion and respect of human rights as well as the effective implementation of International Labour Organisation (ILO) core labour standards. Furthermore, the Sustainability Impact Assessment (SIA) carried out during the negotiation provides a comprehensive assessment of the potential economic, social and environmental impacts of increased trade liberalisation under the AFA in the EU and Chile." [104]

The parties also pledge to pursue environmental goals and conduct mining processes in respect of environmental standards:

> "The Advanced Framework includes a new chapter on trade and sustainable development. The commitment to sustainable trade practices covers climate change, energy, the environment, raw materials, disaster risk reduction, and sustainable food systems. The agreement also includes social issues such as labour rights, gender equality, and responsible business conduct."[105]

[102] European Parliament (2024b)
[103] European Commission (2023d), p. 0
[104] Ibidem, p. 5
[105] European Commission (2023d)

The AFA is subdivided in four sections. Part I deals with the objectives and overall principles where democracy, human rights, rule of law clauses are outlined. Part II deals with Political Dialogue and Cooperation, which contains foreign policy collaboration on a broad range of issues, from security to culture and sport but also environmental protection, human and labour rights. Part III addresses specifically the renewal of the trade partnership which seeks to eliminate still existing tariffs on agricultural products and fisheries and ease trade so that it does not result into export or import monopolies. Part IV (General Institutional Framework) contains the general, institutional and final provisions.[106]

As the full text of the AFA will be published only after ratification by Member States, our evaluation of the political cooperation dimension (democracy and rule of law) is mainly based on declarations, literature and other relevant documents. As for the trade related part of the Agreement, the provisional Interim Trade Agreement will be taken into consideration.

3.4.3 Interim Trade Agreement (ITA)

In general the ITA provisionally establishes a free trade area and seeks to expand, facilitate and diversify the trade in goods between the European Union and Chile by reducing or eliminating remaining tariff and non-tariff barriers.[107] Specifically, it addresses sustainable development, environmental protection and labour rights. There are also provisions dealing with investment and dispute resolution and support for small and medium sized enterprises (SMEs) from either the European Union or Chile. Additionally there are dedicated chapters to gender and trade, digital trade and innovation. The Interim Trade Agreement replaces Part IV of the Association Agreement (Trade Related Matters) and regulates provisionally relations between the European Union and Chile, until the implementation of the Advanced Framework Agreement.[108] Particularly relevant to the purposes of this work are Chapter 8 and Chapter 26, dealing respectively with "Energy and Raw Materials" and "Trade and Sustainable Development."

Article 8.4 establishes the framework for supply diversification, as the two parties pledge not to create import or export monopolies:

[106] European Commission (2023d), p. 6-8
[107] Council of the European Union (2023), p. 5
[108] Ibidem., p. 565-570

> "A Party shall not designate or maintain a designated import or export monopoly. For the purposes of this Article, the term "import or export monopoly" means the exclusive right or grant of authority by a Party to an entity to import energy goods or raw materials from, or export energy goods or raw materials to, the other Party."[109]

Article 8.5 represents a novelty compared to the AA, as it rules equality of export prices for raw materials:

> "A Party shall not impose a higher price for exports of energy goods or raw materials to the other Party than the price charged for such goods when destined for the domestic market, by means of any measure, including licences or minimum price requirements."[110]

Annex 8-B, relevant to Article 8-5, further specifies that:

> "1. A measure that Chile introduces or maintains pursuant to Article 8.5(2) shall meet all of the following conditions: (a) it shall not result in an export restriction on exports to the European Union pursuant to Article 2.11; (b) it shall not adversely affect the capacity of the European Union to source raw materials from Chile; (c) if the raw material is supplied at a preferential price to an economic operator in a third country, that shall be accorded immediately and unconditionally to economic operators in like situations in the European Union; and (d) it shall not result in a preferential price that is below the lowest price for exports of the same good realised during the preceding 12 months. 2. In accordance with the laws and regulations of Chile, the measure referred to in paragraph 1 and the way it is implemented shall be made publicly available and on request of the European Union, Chile shall share with the European Union detailed and reliable information on the product scope, the production volume that is covered by the measure, whether domestic sales at preferential prices have taken place, and the domestic price that has resulted from the measure."[111]

[109] Council of the European Union (2023), p. 149
[110] Ibidem
[111] Ibidem, Annex 8-B, p. 3

In other words, the Agreement ensures that EU companies are granted by Chile the same conditions in terms of special pricing measures and access to raw materials, that apply to the local and foreign companies already operating within the country, or may apply to other third countries involved in deals concerning Chilean lithium.

Article 8.8 states the principle of environmental impact assessment for extraction activities:

> "A Party shall ensure that an assessment of environmental impact is carried out prior to granting authorisation for a project or activity relating to energy or raw materials that may have a significant impact on population, human health, biodiversity, land, soil, water, air or climate, or cultural heritage or landscape. That assessment shall identify and assess such significant impacts."[112]

In Article 26.1 both parties commit to comply with existing environmental standards and labour rights :

> "In light of the above, the objective of this Chapter is to enhance the trade and investment relationship between the Parties in a way that contributes to sustainable development, in particular its labour and environmental dimensions that are relevant to trade and investment. For the purposes of this Chapter, the term "labour" means the strategic objectives of the ILO under the Decent Work Agenda, which is expressed in the ILO Declaration on Social Justice for a Fair Globalization."[113]

Furthermore, in Article 26.15.1, Chile and the EU declare their adherence to the labour rights standards set by ILO for the promotion of human capital:

> "The Parties recognise that trade and investment provides opportunities for job creation and decent work, including for young people, with terms and conditions of employment that adhere to the principles laid down in the ILO Declaration on Fundamental Principles and Rights at Work, adopted by the International Labour Conference in Geneva on 18 June 1998 and as amended in 2022 (the "ILO Declaration on Fundamental Principles and Rights at Work") and the ILO Declaration on Social Justice for a Fair Globalization, adopted on 10

[112] Council of the European Union (2023), p. 152
[113] Ibidem, p. 452

> June 2008 and as amended in 2022 (the "ILO Declaration on Social Justice for a Fair Globalization") 2.: The Parties aim to ensure high levels of labour protection in line with the international labour standards to which they adhere and to promote mutually supportive trade and labour policies with a view to improving the working conditions and quality of work life of employees. They will strive to improve the development and management of human capital for enhanced employability, business excellence, and greater productivity for the benefit of both workers and enterprise. Accordingly, the Parties endeavour to provide opportunities for young people to develop the necessary skills to successfully access and remain in the labour market."[114]

In concrete terms, these provisions will mostly apply to Chile, as it is on its soil that most investment and extraction activities will likely take place.

Regarding environmental standards in Article 26.10.1, Chile and the EU state their commitment to previously agreed environmental standards for the conduct of their trade partnership activities:

> "The Parties recognise the importance of MEAs in the area of climate change, in particular the need to achieve the objective of the United Nations Framework Convention on Climate Change, done at New York on 9 May 1992 ("UNFCCC"), and the purpose and goals of the Paris Agreement, in order to address the urgent threat of climate change. Accordingly, the Parties recognise the role of trade in achieving the goal of sustainable development and addressing climate change, as well as the importance of individual and collective efforts to address climate change impacts through mitigation and adaptation actions."[115]

In general, the ITA expands the trade volume between the EU and Chile by removing still existing tariffs on goods and services, allows more access to European companies wanting to cooperate along the lithium value chain, prescribes compliance to international human and labour rights as well as environmental standards. The agreement provides a framework for European companies to enter the market and develop access to fundamental lithium reserves.

[114] Council of the European Union (2023), p. 471
[115] Ibidem, p. 461

Additionally, the respect of environmental and labour rights embedded in the agreement constitutes both a novelty compared to the Association Agreement, and a distinctive element of the new agreement based on shared values.

3.4.4 Memorandum of Understanding

In addition to the provisions enshrined in the agreements previously considered, the European Union and Chile agreed to sign a non-binding Memorandum of Understanding (MoU) specifically addressing their mutual interest in developing a partnership based on raw materials:

> "The Partnership covers non-energy and non-agricultural strategic and critical raw materials that are necessary for the clean energy and digital transition, covering the entire value chain - exploration, extraction, refining, processing, recycling and processing of extractive waste, transforming and other forms of value addition, including activities relating to the marketing and distribution of such products ot its derivables."[116]

The purpose of the partnership is to reiterate an ever more integrated cooperation between the two countries along the whole supply chain, specifically via public-private joint ventures.[117] Moreover, a dedicated roadmap will be elaborated, with concrete actions for cooperation and annual meetings to track the progress of the partnership.[118]

Having so far provided a general overview on the current state of advancement of the EU-Chile relations, with a focus on the relevance of the Advanced Framework Agreement referred to geopolitical considerations and supply chain criticalities, the following chapter will deal with the significance of the agreement in terms of EU strategic autonomy.

4 CONTRIBUTION TO STRATEGIC AUTONOMY

[116] European Commission (2023c), p. 2
[117] Ibidem
[118] Ibidem p. 5

This chapter will apply the previously developed definition of strategic autonomy to the Advanced Framework Agreement. Each section will deal with a particular aspect of the definition and will produce an evaluation based on the available materials and the criteria previously announced. The following final chapter will then summarise the findings of the work and provide the answer to the research question according to the listed four possible result categories.

4.1 Control over raw materials

As previously discussed, the Association Agreement of 2002 consisted primarily in a free trade agreement, designed to liberalize exchanges in goods and services, promote economic cooperation and strengthen political dialogue between Chile and the EU. The modernised agreement expands the relationship and introduces new areas of cooperation in critical raw materials, sustainability, digital trade, gender equality etc. It represents thus a new era in EU-Chile relations that responds to modern challenges, primarily the green and digital transition in an increasingly competitive geopolitical context.[119]

To show the broader scope of the renewed partnership it is useful to proceed by comparison and highlight the most substantial innovations. First and foremost, the Association Agreement did not explicitly address critical raw materials, which fall under the general trade liberalization provisions, nor did it mention strategic autonomy. Article 60 and 76 of the AA dealt respectively with the elimination of customs duties and the prohibition of quantitative restrictions for goods in general terms, whereas Article 8.4 and 8.5 of the AFA reinforce these mechanisms and introduce specific disciplines on raw materials reflecting the particular focus of the renewed trade partnership. Table 2 represents these aspects schematically.

Table 2: Comparison between AA and AFA on access to raw materials

(all direct quotations from the sources cited below, emphasis added by the author)

Association Agreement	Advanced Framework Agreement
Article 60: **Elimination of customs duties**	Article 8.4: **A Party shall not designate or**

[119] European Commission (2024d), p. 0

1. Customs duties on imports between the Parties shall be eliminated in accordance with the provisions of Articles 64 to 72. 2. Customs duties on exports between the Parties shall be eliminated as from the date of entry into force of this Agreement. 3. For each product, the basic customs duty to which the successive reductions are to be applied pursuant to Articles 64 to 72 shall be that specified in each Party's Tariff Elimination Schedule set out in Annexes I and II, respectively. 4. If a Party reduces its applied most favoured nation customs duty rate after the entry into force of this Agreement and before the end of the transitional period, the Tariff Elimination Schedule of that Party shall apply to the reduced rates. 5. Each Party declares its readiness to reduce its customs duties more rapidly than is provided for in Articles 64 to 72, or otherwise improve the conditions of access under such Articles, if its general economic situation and the situation of the economic sector concerned so permit. A decision by the Association Council to accelerate the elimination of a customs duty or otherwise improve conditions of access shall supersede	**maintain a designated import or export monopoly**. For the purposes of this Article, the term "import or export monopoly" means the exclusive right or grant of authority by a Party to an entity to import energy goods or **raw materials** from, or export energy goods or raw materials to, the other Party.
Article 76: **Prohibition of quantitative restrictions** All import or export prohibitions or restrictions in trade between the Parties, other than customs duties and taxes, whether made effective through quotas, import or export licenses or other measures, shall be eliminated upon the entry into force of this Agreement. No new such measures shall be introduced.	Article 8.5: 1. **A Party shall not impose a higher price for exports of energy goods or raw materials to the other Party than the price charged for such goods when destined for the domestic market**, by means of any measure, including licences or minimum price requirements. 2. Notwithstanding paragraph 1 of this Article, **Chile may introduce or maintain measures with the objective of fostering value addition by supplying raw materials to industrial sectors at preferential prices** so that they can emerge within Chile, provided that such measures satisfy the conditions set out in Annex 8-B.
	Annex 8-B: 1. **A measure that Chile introduces** or maintains pursuant to Article

	8.5(2) shall meet all of the following conditions: (a) it **shall not result in an export restriction on exports to the European Union** pursuant to Article 2.11; (b) it **shall not adversely affect the capacity of the European Union to source raw materials from Chile**; (c) if the raw material is supplied at a preferential price to an economic operator in a third country, that shall be accorded immediately and unconditionally to economic operators in like situations in the European Union; and (d) it shall not result in a preferential price that is below the lowest price for exports of the same good realised during the preceding 12 months. 2. **In accordance with the laws and regulations of Chile, the measure referred to in paragraph 1 and the way it is implemented shall be made publicly available and on request of the European Union**, Chile shall share with the European Union detailed and reliable information on the product scope, the production volume that is covered by the measure, whether domestic sales at preferential prices have taken place, and the domestic price that has resulted from the measure

Source: European Union, (2002), Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part - Final act, Official Journal L 352 , 30/12/2002, https://eur-lex.europa.eu/resource.html?uri=cellar:1f641ed4-e709-43cc-a112-d75455ab3ecb.0016.02/DOC_1&format=PDF, p. 3-1439 / Council of the European Union (2023), Interim Agreement on Trade between the European Union and the Republic of Chile, Interinstitutional File: 2023/0259 (NLE), Brussels, 17 November 2023, retrieved as a pdf. On 4/9/2024 from https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/7668ad45-b14f-4ef6-823d-8899fbac72d2/details?download=true, p. 1-571

As exposed in the table, the AFA fundamentally allows undistorted access for European companies to lithium reserves under seemingly environmentally and socially responsible procedures:

> "The aim of ERM chapters is to set clear market principles for the trade of raw materials, including CRM, to 'facilitate trade and investment in the sectors of energy and raw materials' (FTA EU-Tunisia), and hence to guarantee free trade. This means

> eliminating any distortion in trade in relation to raw materials so that the EU can accomplish its main objective, which is to guarantee the supply of raw materials."[120]

In practical terms, the agreement ensures non-discriminatory and transparent access to the Chilean lithium market by:

a) ensuring that no exclusive trading rights are awarded that would limit EU access to lithium

b) limiting the current existing dual prices policy in Chile for raw materials. Currently, Chile reserves a portion of production for locally established companies at preferential prices. Under the agreement, Chile would be required that these prices cannot fall below the lowest export price of the previous year, and should also be available to EU companies, thus preventing domestic price distortions that could impact competition in downstream sectors. Additionally, Chile commits to not apply any such measures in a way that would result in an export restriction towards the EU.

Specifically, the elimination of import and export monopolies contributes to equal access for European companies wanting to operate on Chilean soil at the same conditions foreseen by the Chilean Constitution for local and other foreign companies looking to develop value added in the country (see section 3.4.3):

> "This prevents the development of national agencies that could buy raw materials locally and hoard them, for example to wait for the right global market prices or conditions before selling. It also prevents the establishment of a state-owned enterprise with monopoly powers which might aim to manage supplies of raw materials in the national interest. An example would be that the Chilean state gives special access to certain national or foreign companies to process the lithium that Chile extracts to move up the value chain."[121]

It may be observed at this point that the limitation of the dual prices policy envisioned in the AFA could, in the long run, prove disadvantageous for Chile's home industry, in that it could

[120] Müller B. et al. (2024), p. 18
[121] Müller B. et al. (2024), p. 20

hold back in some measure the development of the country's own lithium value chain. In fact, the access to the European market, joint ventures, tax benefits and technology transfers guaranteed by the Agreement seem to provide an adequate counterbalance to the potential disadvantages deriving from this measure. Additionally, the AFA establishes binding commitments and an applicable framework on both parties to uphold international environmental agreements, like the Paris Agreement, specifically by introducing provisions that address responsible mining techniques and habitat protection. Table 3 below compares the environmental provisions present in both agreements.

Table 3: Comparison between environmental commitments in the AA and AFA

(all direct quotations from the sources cited below, emphasis added by the author)

Association Agreement	Advanced Framework Agreement
Article 28: 1. The aim of cooperation shall be to encourage conservation and improvement of the environment, prevention of contamination and degradation of natural resources and ecosystems, and rational use of the latter in the interests of sustainable development. 2. In this connection, the following are particularly significant: (a) the relationship between poverty and the environment; (b) the environmental impact of economic activities; (c) environmental problems and land-use management; (d) projects to reinforce Chile's environmental structures and policies; (e) exchanges of information, technology and experience in areas including environmental standards and models, training and education; 10 30.12.2002 (f) environmental education and training to involve citizens more; and (g) technical assistance and joint regional research programmes.	Article 8.8.: 1. A Party shall ensure that an **assessment of environmental impact** is carried out **prior to granting authorisation for a project or activity relating to energy or raw materials that may have a significant impact on population, human health, biodiversity, land, soil, water, air or climate, or cultural heritage or landscape.** That assessment shall identify and assess such significant impacts. 2. **Each Party shall ensure that relevant information is available to the public as part of the process for the assessment of environmental impact**, and shall provide time and **opportunity to the public to participate in that process and to submit comments**. 3. Each Party shall publish and take into account the findings of the assessment of environmental impact prior to granting the authorisation for the project or activity
	Article 8.14.3.: The Parties recognise their shared commitment to **responsible sourcing and sustainable production of raw materials, and their mutual interest in facilitating the integration of raw**

	materials value chains. The Parties shall cooperate on any relevant issue of mutual interest, such as: (a) responsible mining practices and sustainability of raw materials value chains, including **the contribution of raw materials value chains to the fulfilment of the UN Sustainable Development Goals**; (b) raw materials value chains, including value addition; and (c) identification of areas of **mutual interest for cooperation on research, development and innovation activities covering the entire raw materials value chain**, including cutting-edge technologies, smart mining and digital mines.
	Article 26.10: 1. The Parties recognise the importance of MEAs in the area of climate change, in particular the need to achieve the objective of the United Nations Framework Convention on Climate Change, done at New York on 9 May 1992 ("UNFCCC"), and the purpose and goals of the Paris Agreement, in order to address the urgent threat of climate change. Accordingly, the Parties recognise the role of trade in achieving the goal of sustainable development and addressing climate change, as well as the importance of individual and collective efforts to address climate change impacts through mitigation and adaptation actions. 2. In accordance with paragraph 1, **each Party shall: (a) effectively implement the UNFCCC and the Paris Agreement, including its commitments with regard to its nationally determined contributions**; (b) promote the positive contribution of trade to the transition to a low greenhouse gas emission and circular economy and to climate-resilient development, including actions on climate change mitigation and adaptation; and (c) facilitate and promote trade and investment in goods and services of particular relevance for climate change mitigation and adaptation, for sustainable renewable energy and for energy efficiency,

	in a manner consistent with other provisions of this Agreement. 3. In accordance with Article 26.7, the Parties shall cooperate, as appropriate, on trade-related aspects of climate change, bilaterally, regionally and in international fora, including in the UNFCCC, the WTO and the Montreal Protocol on Substances that Deplete the Ozone Layer, concluded at Montreal on 16 September 1987 ("Montreal Protocol"). Furthermore, the Parties may cooperate, as appropriate, on those issues also in the International Maritime Organization. 4. In accordance with paragraph 1, the Parties shall cooperate in areas such as: (a) **exchanging knowledge and experience regarding the implementation of the Paris Agreement, as well as on initiatives to promote climate resilience, renewable energy, low emission technologies, energy efficiency, carbon pricing, sustainable transport, sustainable and climate resilient infrastructure development, emissions monitoring, and nature-based solutions**; as well as exploring options to cooperate in areas such as short-life climate pollutants and soil carbon sequestration; and (b) exchanging knowledge and experience regarding an ambitious phase-out of ozone depleting substances and the phase-down of hydrofluorocarbons under the Montreal Protocol through measures to control their production, consumption and trade, the introduction of environmentally friendly alternatives to those ozone depleting substances and hydrofluorocarbons, updating of safety and other relevant standards, and combating the illegal trade of substances regulated by the Montreal Protocol, as appropriate.

Source: European Union, (2002), Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part - Final act, Official Journal L 352 , 30/12/2002, https://eur-lex.europa.eu/resource.html?uri=cellar:1f641ed4-e709-43cc-a112-d75455ab3ecb.0016.02/DOC_1&format=PDF, p. 3-1439 / Council of the European Union (2023), Interim Agreement on Trade between the European Union and the Republic of Chile, Interinstitutional File: 2023/0259 (NLE), Brussels, 17 November 2023, retrieved as a pdf. On

4/9/2024 from https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/7668ad45-b14f-4ef6-823d-8899fbac72d2/details?download=true, p. 1-571

The table illustrates how the AA included environmental clauses which declared more aspirational objectives rather than prescribing concrete actions. On the other hand, the AFA includes commitments to environmental protection that are enforceable through consultation and eventually through the dispute resolution processes indicated in Article 26.20, 26.21, 26.22.[122] This binding nature and transparency requirements of the AFA represents a novelty compared to the 2002 Association Agreement and should ultimately contribute to the pursuit of the objectives set in the European Green Deal.

The AFA also addresses other aspects which are not included in our analysis. In particular, it introduces binding commitments on gender equality[123]and labour rights[124], includes provisions for digital trade, data protection and cybersecurity[125] and ensures dynamic institutional mechanisms for updating the agreement.[126] All these aspects contribute to the conclusion that the Advanced Framework Agreement effectively grants increased access and agency for European companies engaged in the sourcing of critical raw materials in Chile, with particular provisions aimed at ensuring that the process complies with the internationally recognized environmental standards.

4.2 Diversification of supply chains

The Critical Raw Materials Act (CRMA) represents the legal framework that the EU has adopted to identify critical and strategic raw materials indispensable for the digital and green transitions and setting precise quotas on import, sourcing and production in order to cut overdependence on one single provider.[127] The Act sets ambitious benchmarks for the Union, which, by 2030 should be in a condition to: extract at least 10% of its annual consumption of strategic raw materials from within its territory, process at least 40% and recycle at least

[122] Council of the European Union (2023), p. 479-485
[123] Ibidem p. 486
[124] Ibidem, p. 471
[125] Ibidem p. 297-309
[126] Ibidem p. 552-562
[127] European Commission (2023e)

15%.[128] Moreover, no single country should provide more than 65% of the Union's annual consumption of strategic raw material at any stage of the supply chain:

> "[…] diversify the Union's imports of strategic raw materials with a view to ensure that, by 2030, the Union's annual consumption of each strategic raw material at any relevant stage of processing can rely on imports from several third countries, none of which provide more than 65% of the Union's annual consumption:"[129]

As seen above, the criticalities for the EU concerning the lithium supply-chain involve mainly sourcing and battery component production (see section 3.1.2 and 3.1.4; currently the EU imports over 78% of raw lithium from Chile and is entirely dependent on processed products, such as battery components, coming from China). The renewed EU-Chile trade partnership, specifically addresses the need expressed in the CRMA to diversify sources of supply:

> "The update of the Association Agreement comes at a time when Chile and EU societies and economies are facing unprecedented global challenges as a result of the Russian invasion of Ukraine. The repercussions of the war, including global inflation, supply chain disruptions and the energy crisis, have brought to light the urgent need to strengthen mutually beneficial ties with key like-minded allies to accelerate the energy transition, reinforce strategic supply chains and diversify sources of supply."[130]

Concerning the first criticality, the EU needs to increase its local production and engage with producing countries to gain access to lithium. In this sense the Advanced Framework Agreement contributes to this objective by securing supply of lithium coming from Chile under favourable conditions (see section 4.1).

In parallel, in order to reconcile the current state of affairs with the objectives set by the CRMA, the EU is also engaging with emerging lithium producing countries mainly through strategic partnerships or memorandums of understanding. Notably, a non-binding strategic partnership of this kind has been established with Canada, Argentina and the Democratic Republic of Congo, whereas a Free Trade Agreement with Australia, similar in scope to the AFA with a dedicated section for Energy and Raw Materials is currently on hold for disputes

[128] European Commission (2023e), p. 17
[129] Ibidem p. 18
[130] European Commission (2023d), p. 0

over agricultural market access and sustainability standards[131], and a much debated strategic partnership with Serbia has been defined as of July 2024[132]. Aside from external sourcing, the EU is currently exploring its own extraction capabilities within its soil with ongoing projects and explorations in Portugal and other countries.[133]

Concerning the other crucial element of supply chain diversification, namely, the upgrade of refining and processing technologies, the AFA envisions enhanced investments in Chile's mining sector (Article 8.1), including collaboration in the development of responsible mining and recycling technologies. This aspect is specifically critical in the perspective of limiting EU's dependence on China.

In accordance with the guidelines of the Critical Raw Materials Act, which seem to point at the transitional nature of the current situation with the aspirational objective of reducing dependency to 65% per single provider country, the AFA provides a framework for secure lithium supply while all other steps of the battery production chain are being developed.

In conclusion the AFA creates the opportunity for the EU to diversify its supply chain by:

- ensuring undistorted access to critical raw materials for European companies
- developing integrated processing and recycling activities with Chile in a way that is compliant with the directives contained in the Critical Raw Materials Act and potentially reduces the most critical aspect of dependency at the refinement and components production stage.
- Represents an example and incentive for future trade agreements with lithium-provider countries

Table 4 schematically represents the results of the analysis.

[131] Müller B. et al. (2024), p. 17
[132] Hajdari A. (2024)
[133] Pacheco M. (2024)

Table 4: AFA contribution to CRMA benchmarks (emphasis added by the author)

Critical Raw Materials Act benchmark	Advanced Framework Agreement
"Union *processing capacity*, including for all intermediate processing steps, is able to produce at least 40% of the Union's annual consumption of strategic raw materials" (European Commission, 2023e, p. 17)	Facilitates investment in processing through cooperation on Investment and Innovation (Article 8.1)
"Union *recycling capacity*, including for all intermediate recycling steps, is able to produce at least 15% of the Union's annual consumption of strategic raw materials." (Ibidem)	Sustains research on recycling processes and sustainable business practices (Article 8.12 & 8.13)
"diversify the Union's imports of strategic raw materials with a view to ensure that, *by 2030, the Union's annual consumption of each strategic raw material at any relevant stage of processing can rely on imports from several third countries, none of which provide more than 65% of the Union's annual consumption*;" (Ibid. p. 18)	Guarantees stable and transparent access to Chilean lithium (Article 8.4, 8.5, Annex 8-B)

Source: European Commission (2023e), Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020, COM(2023) 160 final, 2023/0079 (COD), https://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2023/0160/COM_COM(2023)0160_EN.pdf, p. 1-94 / Council of the European Union (2023), Interim Agreement on Trade between the European Union and the Republic of Chile, Interinstitutional File: 2023/0259 (NLE), Brussels, 17 November 2023, retrieved as a pdf. On 4/9/2024 from https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/7668ad45-b14f-4ef6-823d-8899fbac72d2/details?download=true, p. 1-571

In the view of the current situation it may appear that the agreement deepens an already existing overly-dependent relationship of the EU towards Chile. However it should be noted that the benchmarks set in the Critical Raw Materials Act are intended to be attained progressively, and the parallel actions undertaken by the European Union point at the fact that this dependency will be reduced in the future with the integration of other trade partners in the lithium supply value chain. In particular, the EU is investing to increase sourcing and production capabilities on its soil, and engage with other trade partners in order to limit its

most critical dependence on China. Having considered these aspects we may conclude that the Advanced Framework Agreement contributes to the differentiation at the most critical stages of the supply chain in a way that is coherent with the provisions of the Critical Raw Materials Act. The next section will deal with the third dimension of the definition of strategic autonomy.

4.3 Strategic choice of trade partner

The last dimension regards the attainment of democratic and environmental standards on the part of the potential trade partner in order for the latter to be considered *qualified* by the EU. Within this dimension we identify three sub-categories: democracy and rule of law, labour rights and environmental standards. Fulfilment (evaluation criteria: Yes) of all the above 3 requirements is the necessary condition for a positive evaluation. The standing of Chile compared to other possible lithium-provider countries is taken into account in the analysis of each sub-category. Potential alternative partner countries were identified based on the 2024 U.S Geological Survey, which provides an account of the distribution of lithium reserves and resources across the world. The list includes the world's largest lithium producers, such as Australia, Chile and China, alongside those countries which exceed 1 million tons of lithium resources: Bolivia (23 million tons); Argentina (22 million tons); United States (14 million tons), Canada, (3 million tons); Democratic Republic of Congo (3 million tons); Mexico, (1.7 million tons); Serbia (1.2 million tons); Peru (1 million tons) Russia (1 million tons).[134] Evaluation of democracy and rule of law standards relies on the *Global State of Democracy Report 2024* issued by the International Institute for Democracy and Electoral Assistance (IDEA). A positive evaluation under this sub-category is granted with Chile's overall democratic performance and, specifically, compliance to rule of law, ranking in the *high-range* level of performance. Regarding environmental standards, the ratings applied are those found in the *Environmental Performance Index*, specifically those relevant to the management of water resources, biodiversity and habitat protection, given the significance of such issues in the environmental impact of lithium extraction practices. Finally, for labour rights standards, we employed the *Global Rights Index for a de-jure evaluation* and the

[134] U.S Geological Survey (2024), p. 111

Labour Rights Index. Parallel to these official statistics, the sources consulted include media reports, academic literature and previously analysed texts of trade agreements.

4.3.1 Democracy

According to the media, the literature and the text of the AFA, the trade partnership between the EU and Chile revolves around "shared values" and "like-mindedness". Such concept is also clearly stated in the *Memorandum of Understanding between the EU and Chile*:

> "The update of the Association Agreement comes at a time when Chile and EU societies and economies are facing unprecedented global challenges as a result of the Russian invasion of Ukraine. The repercussions of the war, including global inflation, supply chain disruptions and the energy crisis, have brought to light the urgent need to strengthen mutually beneficial ties with key like-minded allies to accelerate the energy transition, reinforce strategic supply chains and diversify sources of supply."[135]

Here "like-mindedness" is to be interpreted as the respect by both parties of democratic core values and civic standards, as opposed to the stance of authoritarian regimes. However, because statements by themselves do not suffice to demonstrate the actual application of such rationale, we have employed certified statistics to measure the democratic performance of Chile, and contrast it against that of other lithium-providing countries, to verity Chile's eligibility as a "qualified" EU trade partner.

As reference, we selected the report issued by the *International Institute for Democracy and Electoral Assistance* in 2024 on the Global State of Democracy (GSoD). This report offers a high-quality, independent and nuanced ranking, taking into account the various indices that make-up the overall democratic performance of a country, namely: Representation, Rights, Rule of Law and Participation.

According to the report, Representation is defined as: "[...] an aggregate measure of the extent of representative democracy, building from component measures of credible elections, inclusive suffrage, freedom to organise through political parties, the effectiveness of the

[135] European Commission (2023d), p. 0

legislature and the practice of democracy at the local level."[136]Rights are: "[...]an aggregate measure of a fair legal system, respect for civil liberties, the extent to which the material and social supports of democracy are available and the degree to which political and social equality between social groups and genders is realised"[137] Rule of Law: "is an aggregate measure that includes assessments of the independence of the judiciary from government influence, the extent to which public administrators use their offices for personal gain, how predictable enforcement of the law is and the degree to which people are free from political violence."[138] Finally, Participation: "denotes the extent to which citizens vote in national legislative and (if applicable) executive elections, measured as the percentage of the voting-age population that cast a ballot in the election."[139]

The report assigns scores for each index ranging from 0 (lowest achievement) to 1 (highest achievement):

> "A score of 0 refers to the worst performance in the entire sample of country–years covered by a particular indicator, while a score of 1 refers to the best country–year performance in the sample. This means that a score of, for example, 0.65 for country x in year 2018 [...] ranks this country's performance relative to the performance of all other 174 countries [...] during the period from 1975 to 2022."[140]

Furthermore, the scores obtained by the countries are then accordingly grouped under levels of performance:

> "To simplify the interpretation of the scores, International IDEA distinguishes three levels of performance for all attributes and subattributes: high, mid-range and low. Scores above 0.7 are classified as high, scores ranging between 0.4 and 0.7 are classified as mid-range, and scores below 0.4 are classified as low."[141]

Depending on the score obtained for each index, countries are subsequently ranked from 1 to 173. For the purposes of our evaluation we consider the index on Rule of Law as particularly

[136] International Institute for Democracy and Electoral Assistance (2024), p. 19
[137] Ibidem, p. 25
[138] Ibidem, p. 30
[139] International Institute for Democracy and Electoral Assistance (2024). p. 37
[140] https://www.idea.int/democracytracker/gsod-indices-faqs
[141] International Institute for Democracy and Electoral Assistance (2024), p. 37

relevant. Additionally, to assess the overall democratic performance of a particular country we look at the remaining indices and corresponding levels of performance. Table 5 summarises the latest annual global ranking of country performance from the list of possible trade partners for the EU for each of the indices of democratic performance.

Table 5: Democratic performance of lithium-rich countries (considering resources over 1 million tons)

Country/Score	**Representation**	**Rights**	**Rule of Law**	**Participation**
Argentina	40/173	50/173	54/173	27/173
Australia	13/173	11/173	10/173	21/173
Bolivia	77/173	99/173	97/173	53/173
Canada	17/173	27/173	21/173	21/173
Chile	14/173	32/173	22/173	37/173
China	154/173	137/173	128/173	154/173
Democratic Republic of Congo	131/173	159/173	149/173	107/173
Mexico	69/173	113/173	113/173	119/173
Peru	49/173	92/173	80/173	74/173
Russia	137/173	138/173	144/173	158/173
Serbia	113/173	60/173	73/173	101/173
United States	46/173	34/173	26/173	8/173

Source: Institute for Democracy and Electoral Assistance (International IDEA) https://www.idea.int/democracytracker/

Considering levels of performance, Canada, Australia and the US are the only countries to perform high-range across all indices. It can therefore be said that they score the best overall democratic performance. From the table we can further conclude that, besides Australia and

Canada, Chile is the country scoring better overall on democratic parameters even outperforming the U.S except for the Participation index:

> "Chile performs in the high range across the Representation, Rights and Rule of Law categories of the Global State of Democracy (GSoD) framework, and it performs in the mid-range in Participation. It is among the top 25 percent of countries in the world with regard to most factors."[142]

Even within the lithium triangle (Argentina-Bolivia-Chile), Chile is better placed, as Argentina performs mid-range in Rights and Rule of Law and Bolivia scores high-range only in Participation. Among other lithium-rich countries, Serbia and Peru perform mid-range in all categories. Mexico performs mid-range for all categories except Rule of Law where it is in the low range. Finally, China, Russia and the Democratic Republic of Congo all have low-range performance records across all indices and therefore the worst democratic overall ranking within the group we are considering. Out of the twelve countries here considered, Chile is second best for the category of Representation; third-best for Rights; third-best for Rule of Law and fifth best for Participation (the U.S is first, followed by Australia and Canada which share the second place and Argentina in third).

Overall, the collected data seem to accomplish the programmatic clause which implies the alignment of the two parties along shared democratic principles. The evaluation of this sub-category is therefore positive.

4.3.2 Labour Rights

The second component of civic standards is represented by labour rights. To measure the performance of possible trade partners in this regard we employ the Labour Rights Index 2024, a de jure index which scores labour laws in 145 countries relative to the Decent Work Agenda of the International Labour Organization (ILO). The authors emphasise the need to consider the legal aspect of labour legislation, which represents the framework that allows for working rights to be respected. The indicators cover ten substantive elements of the Decent Work Agenda: 1.Employment opportunities 2.Adequate earnings and productive

[142] https://www.idea.int/democracytracker/country/chile

work 3.Decent working time 4.Combining work, family and personal life 5.Work that should be abolished (child labour and forced labour) 6.Stability and security of work 7.Equal opportunity and treatment in employment 8.Safe work environment 9.Social security Social dialogue, employers' and workers' representation.[143] Table 3 shows the result categories used for the Index which are defined as follows:

- "Access to Decent Work: Almost all labour rights, as covered by the Index, are provided under the legislation [...]. Workers have regular access to decent work in nearly every aspect of working life. Reforms in labour legislation in a couple of areas can improve the statutory rights further."[144]
- "Approaching Access to Decent Work: [...] Most labour rights are provided under the legislation. Workers have frequent access to decent work in most aspects of working life."[145]
- "Reasonable Access to Decent Work: Generally, labour rights are reasonably provided under the legislation [...]. Workers have fair access to decent work in some aspects of working life."[146]
- "Limited Access to Decent Work: Workers have access to decent work in limited aspects of working life only. The national/local legislation does not meet the international standard on nearly 18 of the 46 evaluation criteria."[147]
- "Basic Access to Decent Work: Minimal labour rights are provided under the legislation [...] There are systematic violations of workplace rights through statutory means. Workers have nominal access to decent work in a few aspects of working life only. The national/local legislation does not meet the international standard on nearly 20 of the 46 evaluation criteria."[148]

[143] WageIndicator Foundation and Centre for Labour Research (2024), p. 15
[144] Ibidem, p. 25
[145] Ibidem
[146] WageIndicator Foundation and Centre for Labour Research (2024)
[147] Ibidem
[148] Ibidem

- "Total Lack of Access to Decent Work: [...] There is an absence of minimal labour rights under the legislation. Workers are deprived of access to decent work in nearly every aspect of working life."[149]

Table 6: Ratings of selected countries labour Rights legislation

Access to decent work	Approaching access to decent work	Reasonable access to decent work	Limited access to decent work	Basic access to decent work	Total lack of access to decent work
Serbia	Australia Chile Canada Russia	Argentina China Peru	U.S Bolivia D.R Congo		

Source: WageIndicator Foundation and Centre for Labour Research (2024), Labour Rights Index 2024, https://labourrightsindex.org/lri-2024-documents/lri-2024-complete-3-oct-2024_compressed.pdf, p. 32-37

The Labour Rights Index assigns scores and ranks countries according to their applicable labour laws only. For this reason it does not assess actual working conditions or labour law compliance in workplaces. To bridge this gap we consider for our evaluation a second index to evaluate the coherence of labour rights legislation with the situation "on the ground".

The International Trade Union Confederation (ITUC) Global Rights Index measures violations of internationally recognized collective labour rights by governments and employers by collecting questionnaires filled by human and trade union rights experts and checking the results against the ILO Conventions. Countries are then rated from 1 to 5+ (1 is the best ranking and 5+ is the worst) depending on their performance in this regard. [150]

[149] Ibidem
[150] International Trade Union Confederation (2024), p. 4-5

Table 7: Ratings of selected countries based on reported labour rights violations

No guarantee of rights due to the breakdown of the rule of law (5+)	No guarantee of rights (5)	Systematic violations of rights (4)	Regular violations of rights (3)	Repeated violations of rights (2)	Sporadic violations of rights (1)
	China Russia	Brazil D.R Congo Mexico Peru Serbia U.S.	Argentina Australia Bolivia Canada Chile		

Source: International Trade Union Confederation (ITUC) 2024, Global Rights Index, https://www.ituc-csi.org/IMG/pdf/2024_ituc_global_rights_index_en.pdf, p. 14-21

From Table 7 it can be seen how all lithium-rich countries considered in the analysis fall within ratings 5 and 3 which are defined as follows:

- "5: [...] the worst countries in the world to work in. While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices.
- 4: [...] The government and/or companies are engaged in serious efforts to crush the collective voice of workers, putting fundamental rights under threat.
- 3: Governments and/or companies are regularly interfering in collective labour rights or are failing to fully guarantee important aspects of these rights. There are deficiencies in laws and/or certain practices which make frequent violations possible"[151]

Combining the results we obtain that Chile's labour rights legislation provides access to decent work in most areas of working life but governments and companies are failing to fully

[151] Ibidem

guarantee important aspects of these rights. In other words, though legislation is advanced there are still some gaps between the law and its implementation.

Though the AFA provides tools for addressing labour rights challenges by coupling trade-relations with labour standards[152], its success will depend on Chile's domestic enforcement and substantial engagement on the part of the EU. Chile scores among the top-performing countries where advanced legislation could be improved and structural deficiencies make labour rights violations possible in practice. However, especially when compared to other possible trade partners, this does not seem to happen structurally at an alarming rate based on the indices. Consequently, the evidence gathered points at a positive evaluation of this sub-dimension.

4.3.3 Environmental standards

Environmental protection is an essential component of trade agreements that focus on the extraction of raw materials. In the age of the so-called "green-transition" it is paramount that mining operations are conducted in a responsible way that does not damage the environment and affect local communities. By reviewing the media landscape we learn that in the AFA particular attention is devoted to environmental standards in lithium extraction practices:

> "A key aspect of the strategic partnership will be to create local added value in Chile rather than extract minerals and leave, like Chinese companies often do in Africa – with little regard for human rights or the environment."[153]

In fact, increasing lithium extraction coincides with environmental concerns mainly linked to water waste management, depletion of fresh water reserves and damage to biodiversity and local communities. For these reasons, in the AFA particular attention seems to be devoted to environmental issues and is held to be the defining feature of the agreement: "The key

[152] Council of the European Union (2023), p. 452
[153] Bourgery-Gonse T. (2023), https://www.euractiv.com/section/economy-jobs/news/eu-unveils-critical-raw-materials-act-aiming-to-lessen-dependence-on-china/

difference is that the new EU-Chile trade deal also contains social and environmental clauses."[154]

In the text of the ITA, Article 8.8 is dedicated to environmental sustainability and a joint commitment to sustainable mining and principles for Environmental Impact Assessments:

> "A Party shall ensure that an assessment of environmental impact is carried out prior to granting authorisation for a project or activity relating to energy or raw materials that may have a significant impact on population, human health, biodiversity, land, soil, water, air or climate, or cultural heritage or landscape. That assessment shall identify and assess such significant impacts. 2. Each Party shall ensure that relevant information is available to the public as part of the process for the assessment of environmental impact, and shall provide time and opportunity to the public to participate in that process and to submit comments. 3. Each Party shall publish and take into account the findings of the assessment of environmental impact prior to granting the authorisation for the project or activity."[155]

Article 8.14.3 states the willingness to advance cooperation in areas such as responsible mining, standards, and research and innovation in green energy and sustainable raw materials:

> "The Parties recognise their shared commitment to responsible sourcing and sustainable production of raw materials, and their mutual interest in facilitating the integration of raw materials value chains. The Parties shall cooperate on any relevant issue of mutual interest, such as: (a) responsible mining practices and sustainability of raw materials value chains, including the contribution of raw materials value chains to the fulfilment of the UN Sustainable Development Goals; (b) raw materials value chains, including value addition; and (c) identification of areas of mutual interest for cooperation on research, development and innovation activities covering the entire raw materials value chain, including cutting-edge technologies, smart mining and digital mines."[156]

[154] Bourgery-Gonse T. (2023), https://www.euractiv.com/section/economy-jobs/news/eu-unveils-critical-raw-materials-act-aiming-to-lessen-dependence-on-china/
[155] Council of the European Union, (2023), p. 152
[156] Ibidem, p. 159

Furthermore, commitment to sustainable supply chains is mentioned in the Memorandum of Understanding:

> "The Participants are both committed to improving the sustainability of global value chains and recognise that securing a sustainable supply of raw materials, especially strategic and critical raw materials, is an essential prerequisite for delivering on green and clean energy objectives and ensure open strategic autonomy."[157]

From the literature on different lithium-extraction techniques we learn that, depending on the method employed, different environmental concerns, advantages and costs are involved. In general, brine operations, largely employed in South America, have lower capital and energy costs compared to the more diffused hard-rock mining. However the former method occupies large areas of desert land, and evaporates considerable quantities of brine which may impact associated potable water resources. Hard-rock mining on the other hand allows for faster production and occupies less land but consumes more fresh water, energy and has a greater carbon footprint.[158]

Concerning brine operations, it emerges that the main concern involves the depletion or pollution of the already scarce water resources in the areas of extraction:

> "Mitigating the environmental and social impact of brine extraction necessitates the adoption of responsible practices. These practices encompass sustainable water management, efficient water use, and conservation measures to minimize the impact on local water sources. Ensuring the safe handling, storage, and disposal of chemicals used in processing is essential to prevent environmental contamination. Regular monitoring and assessment of the impact of extraction on local ecosystems, along with proactive measures to mitigate disruptions, play a pivotal role in environmental stewardship."[159]

Additionally, there are growing concerns about the impact of brine operations on the local fauna.[160] Evidence however on the actual risks linked to this method still needs to be

[157] European Commission (2023c), p. 1
[158] Bastida A. et al. (2023), p. 20
[159] Krishnan R. & Gopan G., (2024), p. 5
[160] Bastida A.et al. (2023), p. 22

presented.[161] Currently, alternative methods for lithium extraction are being experimented and Chile in particular has expressed interest in joining partnership with stakeholders to develop Direct Lithium Extraction (DLE)[162], a more sustainable and highly efficient technique:

> "In contrast to traditional lithium extraction methods that involve pumping brine to the surface and relying on solar evaporation to concentrate and extract lithium, DLE is engineered to bypass this cumbersome and time-consuming step, significantly streamlining the lithium extraction process. The primary objective of DLE is to selectively and efficiently capture lithium ions directly from the brine solution. This approach not only accelerates the extraction process but also reduces the environmental impact associated with large evaporation ponds, making lithium production more sustainable. Several DLE technologies are under development, each with its unique approach to selectively isolating lithium ions from the brine."[163]

For our analysis it could be argued that for the strategic choice of a trade partner it is worth considering specifically the performance of a country when it comes to sustainable mining techniques and the environmental concerns linked with it. From the literature we have learned that brine extractions are generally considered less harmful for the environment than hard rock-mining. Nevertheless, both extraction techniques raise similar environmental concerns linked predominantly to sustainable water management. We therefore turn to the Environmental Performance Index to see how lithium-rich countries rank along the issues categories of "Water Resources" and "Habitat and Biodiversity". Arguably, countries who score higher in the ranking are more suited for trade partnerships revolving around lithium extraction. Nevertheless, due to higher sustainability of brine extraction over hard-rock methods, countries employing this particular technique tend to be more qualified in this domain. Table 8 presents the results from the Environmental Performance Index under the issue category of water resources.

[161] German Environment Agency (2020), p. 37
[162] Government of Chile (2023), p. 10
[163] Krishnan R. & Gopan G. (2024), p. 5-6

Table 8: Rankings for Issue category "Water resources"

Water resources		
Rank (from list of lithium providers)	*Country*	*Rank (global)*
1	Australia	8th
2	Chile	12th
3	Canada	28th
4	Mexico	42nd
5	United States	47th
6	Peru	48th
7	Brazil	58th
8	Russia	59th
9	China	65th
10	Argentina	66th
11	Bolivia	114th
12	Serbia	136th
13	Democratic Republic of Congo	157th

Source: Environmental Performance Index (2024), p. 102, https://epi.yale.edu/downloads/2024epireport.pdf

From the Table we learn that Chile is among the world's top performing countries when it comes to water resources management. It seems reasonable to expect that the highest environmental standards are attained in lithium extraction operations which threaten to deplete important fresh water reserves present in the Atacama desert region. However, instances of negligence and lack of transparency from mining companies operating in the

region have been recorded. Moreover, the Chilean government seems to struggle to enforce stringent regulation in this field:

> "The environmental assessments of lithium projects have strengthened over time. There have been various instances of administrative sanctions and judicial proceedings against lithium operators SQM and Albemarle for overdrawing brine or water beyond their allotted quotas, and also against copper companies operating in the same salt flat. But regardless of a seemingly stronger institutional coordination, Chile's management of lithium extraction from brines shows shortcomings. A recent study showed that water extraction allocations in the Atacama salt flat exceed the rate at which it can be replenished, and that water uses derive mostly from relic groundwater in local and regional aquifers. And in 2014, Chile's National Lithium Commission said that the country's institutional structure supporting lithium extraction from brines failed to reflect the fragility of salt flats' ecosystems."[164]

The actual harmful implications of brine extraction methods are still under scrutiny and at present there is no univocal evidence of a direct link between extraction operations and damages provoked to the local communities and fauna. Nevertheless, in the eventuality that these operations are proved to have an effect, it is important that an infrastructure and legislation for preserving the biodiversity and ecosystem of the sites is in place. In this regard, we consider the rankings of possible lithium providing countries from the Environmental Performance Index in the issue category "Habitat and Biodiversity". Table 9 summarizes the results.

[164] Krishnan R. & Gopan G.(2024), p. 35-36

Table 9: Rankings for issue category "Habitat and Biodiversity"

Habitat and Biodiversity		
Rank (from list of lithium providers)	*Country*	*Rank (global)*
1	Bolivia	37th
2	Brazil	41st
3	Australia	64th
4	Serbia	73rd
5	Canada	75th
6	Democratic Republic of Congo	77th
7	Peru	93rd
8	Chile	113th
9	Russia	117th
10	United States	119th
11	Argentina	135th
12	Mexico	141st
13	China	178th

Source: Block, S. et al. (2024), Environmental Performance Index 2024, p. 168, https://epi.yale.edu/downloads/2024epireport.pdf

The table shows how Chile performs mid-range for Habitat and Biodiversity preservation in the list of possible lithium-providers for the EU. Tough regulation is advanced, knowledge and implementation gaps persist with asymmetries particularly concerning government regulation, companies operations and comprehensive knowledge about the *salares*' ecosystem:

> "Chile, on the other hand, relies on a contractual system for granting lithium extraction rights and its environmental institutions are stronger than in Argentina. The policy debate about the environmental and social governance of the salt flats has gone much farther. But there is an understanding of the existence of wide asymmetries between the knowledge about the salares held by government agencies versus that of operating companies, and of the fact that government learning of the dynamics of salt flats must expand for better regulation and oversight."[165]

In conclusion, Chile employs a more sustainable extraction method compared to other possible provider countries and is within the top-20 countries for management of water resources and has also pledged with its renewed National Lithium strategies to address the challenges linked with lithium extraction by exploring alternative sustainable extraction methods. Additionally, the Advanced Framework Agreement provides incentives for environmental sustainability, community consultation and technological innovation as well as a joint commitment to cooperation in ways that reflect European environmental standards. However, this will depend on Chile's capability to implement reforms and the EU's willingness to provide support to comply with sustainability principles. All in all, persistent gaps in implementation, lack of consultation of local communities[166] and relatively poor scores in habitat and biodiversity protection speak against a positive evaluation of this dimension. The next section will discuss the results obtained in each section and evaluate them in the light of the operationalisation table outlined in Chapter 3.

4.4 Discussion and analysis

In section 4.1 we have considered the provisions contained in the Advanced Framework Agreement regarding critical raw materials. The analysis has highlighted how the AFA broadened the scope of the trade partnership already established with the AA and introduced specific provisions on the same subject. Specifically, we have found that the agreement ensures non-discriminatory and transparent access for European companies to Chilean lithium. Additionally it added more binding commitments to uphold international

[165] Bastida A. et al. (2023), p. 32
[166] German Environment Agency (2024), p. 19-20

environmental standards for projects carried out throughout the whole supply chain. In light of this, we can evaluate positively (Yes) this dimension of Strategic Autonomy according to the evaluation table displayed in Chapter 2.

Considering the second dimension, *Diversification of supply chains*, dealt in section 4.2, once acknowledged that the directives set out in the Critical Raw Materials Act represent the compass which oriented the EU's trade policy towards strategic autonomy, we have proceeded to compare the benchmarks set in the CRMA with the provisions of the AFA to check for compliance. Identified in the production of battery components, processing capabilities and (though to a lesser degree) overall lithium supply, the most critical dependency faced by the EU, we highlighted AFA's effective contribution to addressing these challenges by diversifying the supply chain for lithium, meanwhile upgrading mining, refining and recycling capabilities in order to limit the afore-mentioned dependency on China. Also in consideration of the fact, that it represents the most advanced and ambitious trade agreement struck so far by the EU with a lithium provider country[167], we can conclude that AFA represents a substantial contribution to the accomplishments of the benchmarks set by the CRMA on the subject, and consequently decide a positive evaluation (Yes) for the second dimension.

Section 4.3 considered the issue of Chile as a *qualified* strategic trade partner. Based on our definition of strategic autonomy, this translated into the respect on the part of Chile of democratic standards, labour rights and environmental standards. Thus, this latter dimension was divided in three sub-dimensions corresponding, respectively, to the above elements. A positive evaluation of all three sub-dimensions was the necessary precondition for the positive evaluation of the third dimension. In order to evaluate the standing of Chile as a qualified trade partner, we have considered statistics issued by authoritative agencies on democracy, labour rights and environmental standards. Furthermore Chile has been compared to other possible lithium providing countries drawn from the US Geological Survey of 2024.[168]

[167] Blot E. (2024), p. 7
[168] Here countries were selected on the basis of their lithium resources (exceeding one million).

The report issued by the International Institute for Democracy and Electoral Assistance (IDEA) on the 2024 Global State of Democracy (GSoD) was used to measure the overall democratic performance of the countries in the list. Here, Chile performed high-range on all parameters even outperforming the US except for the Participation Index. Overall Chile is within the top-25 countries in the world for democratic performance and for this reason the evaluation for this sub-dimension was positive.

Considering labour rights, at the legislative level Chile scores second best in the categories developed by the Labour Rights Index. However this latter index only measures the de-jure situation of one country. To assess the situation in a more comprehensive way we have included the Global Rights Index which measures actual implementation of labour rights as an additional reference. Unsurprisingly, the index showed that authoritarian regimes or countries not performing well on overall democratic parameters score rather poorly and fall within the categories "No guarantee of rights" (Russia and China) or "Systemic violation of rights" (Brazil, D.R Congo, Mexico, Peru, Serbia, U.S.). By adding up the results we have found that Chile provides access to decent work in most areas of working life, so that, in spite of some deficiencies in the laws and practices which account for possible violations, its overall performance is comparatively good. The evidence gathered, also in consideration of the areas for cooperation offered by the AFA in this regard, points at a positive evaluation of this sub-dimension.

For the third sub-dimension we have employed the Environmental Performance Index. Specifically, we considered the aspects of environmental policy linked to water resources management and habitat and biodiversity protection for their greater involvement in critical raw materials extraction and treatment processes. The report indicated Chile among the world's top performing countries regarding water management but denounced serious shortcomings regarding habitat and community protection. Chile's poor scoring regarding this latter aspect of environmental standards was decisive for a negative (No) evaluation of this sub-dimension.

The results obtained so far, and the answer to the research question are summed up in the following chart.

Table 10: Results of the evaluation

Dimensions of Strategic Autonomy	Indicators	Evaluation criteria
Access to raw materials: access granted in the form of concessions to European public or private actors to extraction and/or production of critical raw materials on Chilean soil	- Provisions in the agreement granting access for European firms to operate on Chilean soil	**Yes**
Diversification of supply chains: Respect of the provisions of the Critical Raw Materials Acts (quotas on import, refinement and production to limit overreliance on a single provider)	- Provisions in the text mentioning quotas on imports, production and refinement of particular raw materials - Comparison between benchmarks on import, refinement and production of critical raw materials in the CRMA and provisions of the AFA	**Yes**
Choice of qualified partner: respect on the part of the strategic partner of standards regarding democracy (including representation, participation, rule of law, civil and human rights), labour rights and environment	- Statements suggesting that the agreement is conditional on respect of **democracy**, **labour rights** and **environmental standards**. - Corresponding evidence in relevant statistics (Global State of Democracy (GSoD) Report; Environmental Performance Index; Global Rights Index, Labour Rights Index)	**No** Democracy: Yes Labour Rights: Yes Environmental standards: No Fulfilment (evaluation criteria: Yes) of all 3 requirements is the necessary condition for a positive evaluation.

Result: **Incomplete contribution to strategic autonomy**: (correspondence for 2 out of 3 categories; 2 times Yes, 1 No)

Therefore, according to our operationalisation adopted, the answer to the research question is:

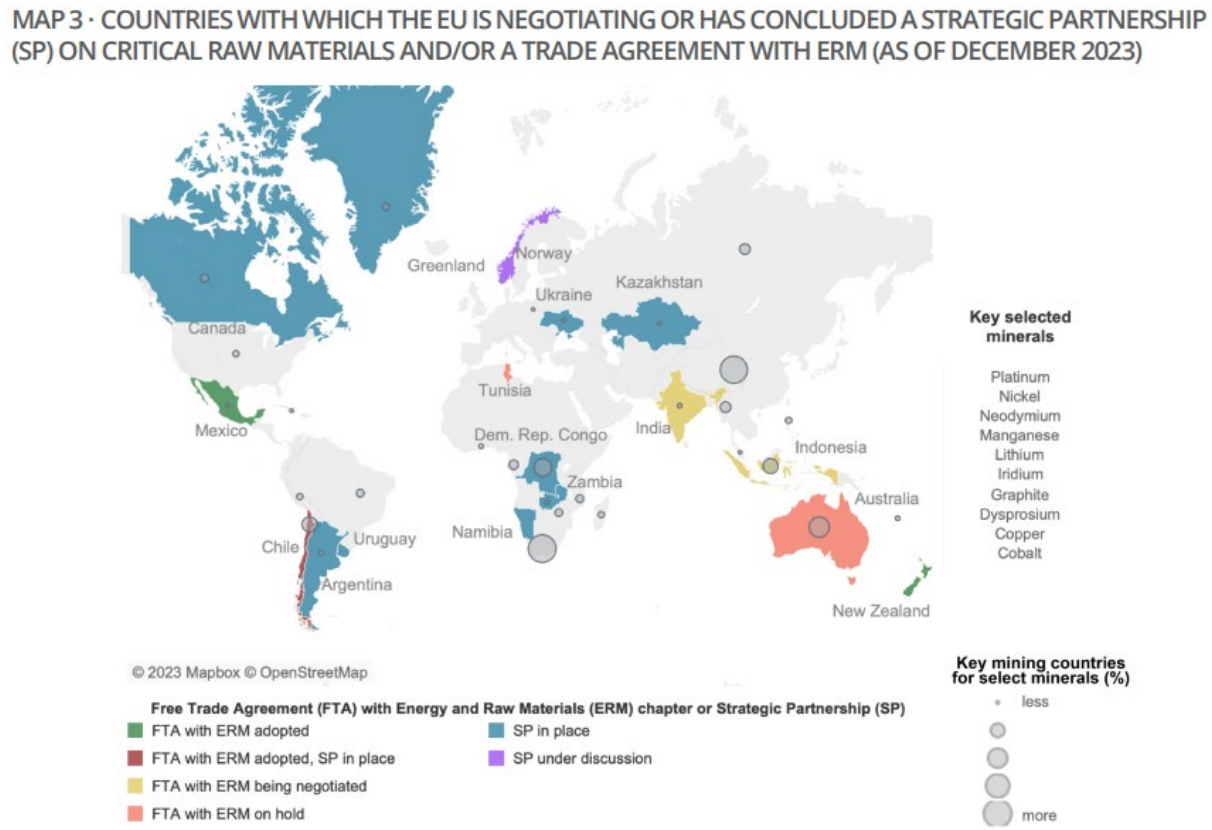
> *The EU-Chile Advanced Framework Agreement contributes in an incomplete manner to the strategic autonomy of the European Union*.

This schematic answer may however need further specification and nuancing. It is important to remark that the only missing element for a completely positive evaluation is one sub-dimension out of three, within one of the three main dimensions, namely the one concerning environmental standards. Without detracting from the prominence and sensitivity of this issue, it should be also observed, as previously exposed, that the negative evaluation is largely based on dubious aspects and partial inadequacies rather than clear and definite liabilities, and that the situation presents encouraging scope for improvement, also considering the cooperation provisions envisaged in the Agreement.

In general, it may be assumed that the AFA between the EU and Chile represents the most advanced type of trade partnership involving a dedicated chapter on critical raw materials between the EU and a third-country to this day.[169] Actually, the EU has embarked on similar trade Agreements with other parties, which either have not yet been ratified, or negotiations have stalled, or do not specifically address collaboration on critical raw materials with dedicated provisions. Figure 4 provides a bird-eye view on the current state of affairs of EU Free Trade Agreements (FTAs) and Strategic Partnerships (SPs).

[169] As of February 1, 2025 the Interim Trade Agreement has entered into force and is provisionally applied as explained above (see section 3.4.3). For the Advanced Framework Agreement to enter into force a qualified majority is required in the Council of the EU. Relevant for our analysis is that the AFA is a broader agreement and that the ITA covers trade related matters which will be applied regardless of the ratification process.

Figure 4: Overview of the EU's partnerships on critical raw materials



Source: Müller B., Ghiotto L., Bárcena L. (2024), https://www.tni.org/en/publication/the-raw-materials-rush, p. 17

From the table we may draw that the instruments so far devised by the EU to secure access to critical raw materials are either simple Strategic Partnerships (with no binding engagement), or FTAs that are not yet in place or lack a memorandum of understanding on critical raw materials between the parties. Recently a Strategic Partnership between the EU and Serbia has surged to the forefront in public debate. Serbia disposes of large untapped lithium resources which could in the future provide a stable source of supply for the EU, also considering Serbia's pending bid to join the Union.[170] The Partnership is fully in line with Brussel's effort to differentiate its trade relations but it has sparked debate because of the extraction technique which should be employed to source the precious mineral. Serbia would employ underground mining techniques which has sparked concerns on the side of local

[170] Dzihic V. (2024)

communities and environmental groups over groundwater contamination, land subsistence and air quality.[171]

We have already seen how, in relation to other lithium producing countries, Chile's scores in democracy and labour rights conditions are promising, but its environmental policies still require substantial improvement. In this regard, it should be noted that, compared to all other lithium providing countries from the list, Chile features a comparatively less impactful lithium extraction technique. In fact lithium extraction from the "salares" in the Atacama desert is *de facto* less water-intensive and more cost-efficient compared to brine mining techniques practiced elsewhere in the world. Moreover, lithium extracted using this method does not need further refining and its harmful environmental impact still needs to be fully assessed. On the other hand, all other alternative provider countries (except China) dispose of large reserves but not of refining capabilities comparable to those of Chile[172] (see section 3.1.3), even those which score better on democratic standards. Australia, the world's biggest lithium producer, employs extraction techniques that univocally deplete vast freshwater resources and does not yet dispose of refining capabilities. China, the third lithium producer, also employs mining techniques which even involve burning coal[173] and holds an almost global monopoly of refining capabilities which is perceived as potentially dangerous by importing countries. Additionally, due to its poor ranking in both civic and environmental standards coupled with its "systemic rival" status it is considered to be the least likely strategic trade partner for the EU.

Considering a most practical aspect, Chile is the only country which apart from scoring well on democracy and labour rights has the resources, reserves and refining capabilities which can meet EU's demand for lithium. All alternative provider countries either dispose of reserves but not of refining capabilities comparable to those of Chile, even those who score better on democratic standards.

---

[171] Hajdari U. (2024) / Dzihic V. (2024)
[172] Though Chile mainly focuses on extraction it disposes of some refining capabilities and is looking to expand them through the AFA.
[173] Bourgery-Gonse T. (2023), https://www.euractiv.com/section/economy-jobs/news/eu-unveils-critical-raw-materials-act-aiming-to-lessen-dependence-on-china/

The combination of these two factors, greater sustainability of mining technique and comparatively advanced refining capabilities, account for Chile's privileged position as a trade partner for the EU.

In a nutshell, in spite of some reparable shortcomings, Chile can overall be considered the best-suited trade partner, owing to its vast lithium reserves, more sustainable extraction method, growing refining capabilities and prospective battery component production, all of which can help the EU significantly reduce its dependence from China. The evidence also points at a fundamental alignment along democratic and labour rights standards. However, to be considered a fully *qualified* trade partner, adjustments and improvements are needed in the areas of environmental protection legislation and community consultation, as well as in the subsequent application of the above.

5 CONCLUSION

This work has attempted an evaluation for the contribution of the Advanced Framework Agreement between the EU and Chile to the overall strategic autonomy of the European Union. To begin with, in order to adequately define the object of the inquiry, a definition of strategic autonomy referring to the supply of critical raw materials was elaborated. After having reviewed the available critical literature on the subject, a provisional definition was developed drawing essential elements from Falkner G. et al. (2024) and Schmitz, L. & Seidl, T. (2023), which fundamentally represent the theoretical framework for this thesis. Coherently, we established to measure the Agreement's contribution to EU strategic autonomy according to its fulfillment of three dimensions: legitimate access to critical raw materials, diversification of supply chains (as established in the Critical Raw Materials Act) and engagement of a *qualified* trade partner. The latter concept entails certain standards in the domain of democracy, labour rights and the environment, to be attained by the trade partner in exchange for a closer collaboration with the EU.

The subsequent analysis led us to evaluate AFA's contribution to the strategic autonomy of the European Union as "partial" as, although it ensures control over critical raw materials (in

this case lithium), allows for diversification of trade partners (in accordance with the principles of the CRMA) and engages with a strategic trade partner which scores well on civic (democracy, rule of law, labour rights) standards, the latter's performance on reaching the required environmental standards (mostly on habitat and biodiversity protection) is not satisfactory. This said, according to our analysis, the AFA with Chile can comparatively be regarded as the most advanced and ambitious EU trade agreement involving a lithium-producing country to date.

Factors that contribute to making Chile the most strategically qualified among possible trade partners for the EU, are the extensive size of its lithium resources, a more sustainable method of extraction compared to those employed elsewhere and the country's steadily increasing refining capabilities. More "democratic" countries either do not dispose of sufficient reserves or capabilities of extraction, or the relevant procedures would not be as sustainable. The case of Serbia (which would anyway fall short of the required standards for a *qualified* partnership) exemplifies this last concept.

The Advanced Framework Agreement arguably represents the most significant effort on the side of the EU to establish itself as a proactive and strategic actor in global trade. By securing access to lithium with a like-minded trade partner it enhances the EU's possibility to attain its climate goals and fosters its strategic autonomy. However, to maximize the benefits of the agreement, stringent environmental guardrails need to be developed, and both the EU and Chile need to ramp-up their domestic refining and components manufacturing capabilities in order to address the gaps in the raw materials supply chains.

6 BIBLIOGRAPHY

Albemarle Corporation, (2018) "Albemarle Corporation receives increase in lithium quota for Chile operations," News, March 9, 2018, accessed on 2/09/2024 from https://www.albemarle.com/global/en/news/albemarle-corporation-receives-increase-lithium-quota-chile-operations

Allenbach-Ammann J., (2022), EU, Chile conclude negotiations on new trade agreement, Euractiv.com, https://www.euractiv.com/section/economy-jobs/news/eu-chile-conclude-negotiations-on-new-trade-agreement/, 9/12/2022, accessed on 2/9/2024

Anderlini, J. & Caulcutt, C. (2023), Europe must resist pressure to become 'America's followers,' says Macron, Politico, Brussels, retrieved on 20th February 2024 from https://www.politico.eu/article/emmanuel-macron-china-america-pressure-interview/

Australian Government (2024), Resources and Energy Quarterly 2024, downloaded as a pdf. On 19/09/2024 from https://www.industry.gov.au/sites/default/files/2024-06/resources_and_energy_quarterly_june_2024.pdf, p. 1-171

Bastida, A. Graham D. J., Rupp, A.J., Sanderson H., Vásquez P. (2023), Latin America's Lithium_Critical Minerals and the Global Energy Transition'. Wilson Center, 2023, Woodrow Wilson International Center for Scholars Latin America Program One Woodrow Wilson Plaza 1300 Pennsylvania Avenue NW Washington, DC 2004-3027, downloaded as a pdf on 19/09/2024 from https://www.wilsoncenter.org/sites/default/files/media/uploads/documents/Latin%20America%E2%80%99s%20Lithium_Critical%20Minerals%20and%20the%20Global%20Energy%20Transition.pdf

Béland, D. and Cox, R.H. (2016), Ideas as Coalition Magnets: Coalition Building, Policy Entrepreneurs, and Power Relations. Journal of European Public Policy, Volume 23, Number. 3, https://doi.org/10.1080/13501763.2015.1115533, p. 428–445

Bille B. (2024), Increasing Supply Security for Europe's Growing Battery Industry: Recommendations for a Resilient Supply Chain, The Hague Centre for Strategic Studies, January 2024, Lange Voorhout 1 2514 EA The Hague, downloaded as a pdf. On 18/09/2024 from https://hcss.nl/wp-content/uploads/2024/01/Increasing-Lithium-Supply-Security-HCSS-2024.pdf

Block, S., Emerson, J. W., Esty, D. C., de Sherbinin, A., Wendling, Z. A., et al. (2024). 2024 Environmental Performance Index. New Haven, CT: Yale Center for Environmental Law & Policy. Downloaded as a pdf on 7/09/2024 from https://epi.yale.edu/ , p. 1-191

Blot E. (2024), Sourcing critical raw materials through trade and cooperation frameworks How the EU plans to secure an external supply of critical raw materials for the green transition, Institute for European Environmental Policy (IEEP), Brussels, Rue Joseph II 36-38, 1000, downaloaded as a pdf on 7/11/2024 from https://ieep.eu/wp-content/uploads/2024/03/Sourcing-critical-raw-materials-through-trade-and-cooperation-frameworks-IEEP-2024.pdf, p. 1-23

Bourgery-Gonse, T. (2023) EU unveils Critical Raw Materials Act, aiming to lessen dependence on China, Euractiv.com, https://www.euractiv.com/section/economy-jobs/news/eu-unveils-critical-raw-materials-act-aiming-to-lessen-dependence-on-china/ 16/3/2023, accessed on 27/11/2023

Broeders, D., Cristiano, F., & Kaminska, M. (2023). In Search of Digital Sovereignty and Strategic Autonomy: Normative Power Europe to the Test of Its Geopolitical Ambitions. JCMS: Journal of Common Market Studies, Volume 61 Number 5, doi: 10.1111/jcms.13462, p. 1261–1280

Cabello José (2021), Lithium brine production, reserves, resources and exploration in Chile: An updated review, Ore Geology Reviews, Volume 128, January 2021, https://doi.org/10.1016/j.oregeorev.2020.103883, downloaded as a pdf. On 6/09/2024, from https://www.sciencedirect.com/science/article/pii/S0169136820310684, p. 1-5

Churm, P. A. (2023), Von der Leyen signs multi-million euro lithium deal in Chile. euronews.com, published on 15/6/2023, accessed on 13th February 2024 from https://www.euronews.com/2023/06/15/von-der-leyen-signs-multi-million-euro-lithium-deal-in-chile

Cofré V. (2023), El nuevo mapa del litio en Chile: los pocos que están y los muchos que quieren estar, Latercera.com, 30 abr 2023 12:29 AM, retrieved on 5/9/2024 from https://www.latercera.com/pulso/noticia/el-nuevo-mapa-del-litio-en-chile-los-pocos-que-estan-y-los-muchos-que-quieren-estar/6TTCHQ5NA5AXXKWEVS3F3LZQ4I/

Council of the European Union (2023), Interim Agreement on Trade between the European Union and the Republic of Chile, Interinstitutional File: 2023/0259 (NLE), Brussels, 17 November 2023, retrieved as a pdf. On 4/9/2024 from https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/7668ad45-b14f-4ef6-823d-8899fbac72d2/details?download=true, p. 1-571

Couvreur, S. (2024) Inside the European Union's Trade Machinery: Institutional Changes in an Age of Geoeconomics. JCMS: Journal of Common Market Studies, https://doi.org/10.1111/jcms.13625, p. 1-18

Cortés Leiss, B. (2024), Chile's New Lithium Strategy: A Market Boost or Miss?, Baker Institute, accessed on 2/09/2024 from https://www.bakerinstitute.org/research/chiles-new-lithium-strategy-market-boost-or-miss#:~:text=energyEnergy%20economics-,Chile's%20Lithium%20Production,the%20leading%20producer%20of%20lithium.

Csernatoni, R. (2022). The EU's hegemonic imaginaries: from European strategic autonomy in defence to technological sovereignty. European Security, Volume 31 Number 3, https://doi-org.uaccess.univie.ac.at/10.1080/09662839.2022.2103370, p. 395–414

Damro, C. (2012). Market Power Europe. Journal of European Public Policy, Volume 19, Issue 5, June 2012, downloaded as pdf. from https://www.tandfonline.com/doi/epdf/10.1080/13501763.2011.646779?needAccess=true, on 8/3/2024, p. 682-699

Delauney G. (2024), EU seals 'historic' pact on Serbia's lithium deposits, BBC.com, London, 19 July 2024, retrieved on 4/11/2024 from https://www.bbc.com/news/articles/cw4yg09rl8lo

De La Jara A. (2018), Tianqi buys stake in lithium miner SQM from Nutrien for $4.1 billion, Reuters.com, London, December 3, 2018, retrieved on 4/11/2024 from https://www.reuters.com/article/business/tianqi-buys-stake-in-lithium-miner-sqm-from-nutrien-for-41-billion-idUSKBN1O217F/

Diez, T. (2004). Europe's Others and the Return of Geopolitics. Cambridge Review of International Affairs, Volume 17 Issue 4, https://doi.org/10.1080/0955757042000245924, p. 319–335.

Dzihic V. (2024), Mining Lithium, Undermining a Democratic Future: EU Deal Takes Serbia Further from Europe, Heinrich Böll Stiftung, Heinrich Böll Foundation Schumannstr. 8
10117 Berlin, 30 September 2024, accessed on 22/12/2024 from https://www.boell.de/en/2024/09/30/mining-lithium-undermining-democratic-future-eu-deal-takes-serbia-further-europe

European Commission (2023a), Answering the Call of History, 2023 State of the Union Address by President Von der Leyen, Strasbourg, 13th September 2023, retrieved on 20th February from https://ec.europa.eu/commission/presscorner/detail/en/speech_23_4426

European Commission (2023b). EU and Chile sign modern and ambitious trade and political agreements. Press Release, 13th December 2023, Brussels, accessed on 13th February 2024 from https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6542,

European Commission (2023c), Memorandum of Understanding establishing a partnership between the EU and Chile on sustainable raw materials value chains, retrieved as a pdf. on 3/9/2024 from https://single-market-economy.ec.europa.eu/document/download/26f21445-246b-4f67-90ee-bdd6db3d34c2_en?filename=MoU_EU_Chile_signed_20230718.pdf, p. 1-5

European Commission (2023d), Proposal for a COUNCIL DECISION on the signing, on behalf of the European Union, and provisional application of the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part, Brussels, 5.7.2023 COM(2023) 431 final 2023/0257 (NLE), retrieved as a pdf. from https://eur-lex.europa.eu/resource.html?uri=cellar:50118a10-1b0f-11ee-806b-01aa75ed71a1.0001.02/DOC_1&format=PDF, p. 0-10

European Commission (2023e), Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020, COM(2023) 160 final, 2023/0079 (COD), https://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2023/0160/COM_COM(2023)0160_EN.pdf, p. 1-94

European Commission (2023f), RMIS-Raw Materials Information System, retrieved on 5/9/2024 from https://rmis.jrc.ec.europa.eu/rmp/Lithium

European Commission (2023g), Towards an EU-Chile Advanced Framework Agreement, retrieved on 4/9/2024 from https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/chile/eu-chile-agreement_en

European Commission (2024) Commission Implementing Regulation (EU) 2024/1866 of 3 July 2024 imposing a provisional countervailing duty on imports of new battery electric vehicles designed for the transport of persons originating in the People's Republic of China, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401866

European Commission (2024b), EU trade relations with Chile. Facts, figures and latest developments, accessed on 9/09/2024 from https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/chile_en

European Court of Auditors (2023), Special Report: The EU's industrial policy on batteries New strategic impetus needed, downloaded as a pdf. On 19/09/2024 from https://www.eca.europa.eu/ECAPublications/SR-2023-15/SR-2023-15_EN.pdf, p. 1-62

European External Action Service (2023). EU- Chile-Advanced Framework Agreement. Strategic Communications, 13.12.2023, downloaded as pdf. on 20th February 2024 from https://www.eeas.europa.eu/sites/default/files/documents/2023/Factsheet%20EU_Chile-Agreement-Dec_2023.pdf, p. 1-3

European Parliament (2023a), 'European Parliament legislative resolution of 12 December 2023 on the proposal for a regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020 (COM(2023)0160 – C9-0061/2023 – 2023/0079(COD))', https://www.europarl.europa.eu/doceo/document/TA-9-2023-0454_EN.html#title2

European Parliament (2023b), European Parliament resolution of 29 February 2024 on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part (COM(2023)0432 – C9-0467/2023 – 2023/0260R(NLE)), retrieved on 2/9/2024 from https://www.europarl.europa.eu/doceo/document/TA-9-2024-0115_EN.html,

European Parliament Legislative Observatory (2023). 2023/0079 (COD), Framework for ensuring a secure and sustainable supply of critical raw materials, retrieved on 27th February 2024 from https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2023/0079(COD)&l=en

European Union (1957), Consolidated version of the Treaty on the Functioning of the European Union - PART FIVE: EXTERNAL ACTION BY THE UNION - TITLE IV: RESTRICTIVE MEASURES - Article 218 (ex Article 300 TEC), retrieved on 2/9/2024 from https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:12008E218

European Union, (2002), Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part - Final act, Official Journal L 352 , 30/12/2002 P. 0003 - 1450, retrieved as a pdf. On 4/9/2024 From https://eur-lex.europa.eu/resource.html?uri=cellar:1f641ed4-e709-43cc-a112-d75455ab3ecb.0016.02/DOC_1&format=PDF, p. 3-1439

Falkner G., Heidebrecht S. Obendiek A. & Seidl T. (2024), Digital sovereignity - Rethoric and reality, Journal of European Public Policy, online first publication, p. 1-22, https://doi.org/10.1080/13501763.2024.2358984.

Garcia, M. (2011). Incidents along the Path: Understanding the Rationale behind the EU-Chile Association Agreement. Journal of Common Market Studies, Volume 49 Number 3, https://doi.org/10.1111/j.1468-5965.2010.02149.x, p. 501–524.

German Environment Agency (2020), KlimRess – Impacts of climate change on mining, related environmental risks and raw material supply Case studies on copper and lithium mining in Chile, TEXTE 106/2020, Umweltbundesamt Wörlitzer Platz 1 06844 Dessau-Roßlau, downloaded as a pdf on 7/11/2024, from https://www.umweltbundesamt.de/sites/default/files/medien/479/publikationen/texte_106-2020_klimress_case_study_chile.pdf, p. 1-52

Giuli, M., & Oberthür, S. (2023). Third time lucky? Reconciling EU climate and external energy policy during energy security crises. Journal of European Integration, Volume 45, Issue 3, https://doi.org/10.1080/07036337.2023.2190588, p. 395-412.

Gobierno de Chile (2023), European Parliament approves Advanced Framework Agreement and Interim Trade Agreement with Chile, retrieved on 2/9/2024 from https://www.gob.cl/en/news/european-parliament-approves-advanced-framework-agreement-and-interim-trade-agreement-with-chile/

Government of Chile (2023), National Lithium Strategy For Chile and its People, retrieved on as a pdf. On 2/09/2024 from https://www.gob.cl/litioporchile/en/, https://s3.amazonaws.com/gobcl-prod/public_files/Campa%C3%B1as/Litio-por-Chile/Estrategia-Nacional-del-litio-EN.pdf, p. 1-30

Hajdari, U. (2024), Berlin inks lithium deal with Belgrade despite environmental concerns, Politico, Brussels, 19/07/2024, accessed on 19/12/2024 from https://www.politico.eu/article/olaf-scholz-maros-sefcovic-lithium-deal-serbia-environmental-concerns/

Helwig, N. (2022) 'The Ambiguity of the EU's Global Role: A Social Explanation of the Term"Strategic Autonomy"'. European Foreign Affairs Review, Vol. 27, Special Issue, DOI: 10.54648/EERR2022010, p. 21–38.

Hoffmeister, F. (2023). Strategic autonomy in the European Union's external relations law. Common Market Law Review, Volume 60 Issue 3, doi: 10.54648/COLA2023048, p. 667–700.

International Institute for Democracy and Electoral Assistance (2024), The Global State of Democracy 2024 Strengthening the Legitimacy of Elections in a Time of Radical Uncertainty, Strömsborg SE–103 34 Stockholm SWEDEN, downloaded as a pdf. On 22/11/2024 from https://www.idea.int/democracytracker/publications, p. IV-125

International Energy Agency (2024a), Batteries and Secure Energy Transitions, IEA, Paris, downloaded as a pdf on 19/09/2024 from https://www.iea.org/reports/batteries-and-secure-energy-transitions, Licence: CC BY 4.0, p. 1-157

International Energy Agency (2024b), Global Critical Minerals Outlook, IEA, Paris, downloaded as a pdf. On 19/09/2024 from https://iea.blob.core.windows.net/assets/ee01701d-1d5c-4ba8-9df6-abeeac9de99a/GlobalCriticalMineralsOutlook2024.pdf, p. 1-280

International Energy Agency (2024c), Global EV Outlook 2024 Moving towards increased affordability, IEA, Paris, downloaded as a pdf. On 19/09/2024 from https://iea.blob.core.windows.net/assets/a9e3544b-0b12-4e15-b407-65f5c8ce1b5f/GlobalEVOutlook2024.pdf, p. 1-172

International Trade Union Confederation (ITUC) (2024), Global Rights Index, retrieved as apdf. on 24/11/2024 from https://www.ituc-csi.org/IMG/pdf/2024_ituc_global_rights_index_en.pdf, p. 14-21

Jacobs, T., Gheyle, N., De Ville, F., & Orbie, J. (2023). The Hegemonic Politics of 'Strategic Autonomy' and 'Resilience': COVID-19 and the Dislocation of EU Trade Policy. Journal of Common Market Studies, Volume 61 Number 1, https://doi.org/10.1111/jcms.13348, p. 1–17.

Jean, S., Mulder, N., & Ramos, M. P. (2014). A general equilibrium, ex-post evaluation of the EU–Chile Free Trade Agreement. Economic Modelling, Volume 41, https://doi.org/10.1016/j.econmod.2014.04.025 , p. 33–45.

Juncos, A. E., and Vanhoonacker, S. (2024) The Ideational Power of Strategic Autonomy in EU Security and External Economic Policies. JCMS: Journal of Common Market Studies, Volume 62, Number 4 https://doi-org.uaccess.univie.ac.at/10.1111/jcms.13597, p. 955–972.

Kalantzakos S. (2019). The Geopolitics of Critical Minerals. Istituto Affari Internazionali (IAI), Rome, December 2019 Volume 27, ISSN 2610-9603 | ISBN 978-88-9368-119-3, downloaded as pdf. on 14th February 2024 from https://www.jstor.org/stable/resrep23660 p. 1-15

Krishnan R. & Gopan G. (2024), A Comprehensive Review of Lithium Extraction: From Historical Perspectives to Emerging Technologies, Storage, and Environmental Considerations, Cleaner Engineering and Technology, Volume 20, June 2024, https://doi.org/10.1016/j.clet.2024.100749, downloaded as a pdf. On 7/11/2024 from https://www.sciencedirect.com/science/article/pii/S2666790824000296, p. 1-15
p. 1-13

Lavery, S. (2023). Rebuilding the fortress? Europe in a changing world economy. Review of International Political Economy, Volume 31, Issue 1, p. 1–24. https://doi.org/10.1080/09692290.2023.2211281

Lavery, S., & Schmid, D. (2021). European Integration and the New Global Disorder*. JCMS: Journal of Common Market Studies, Volume 57 Issue 1, p. 114–127. https://doi.org/10.1111/jcms.13184

Leonard, M., J.Pisani-Ferry, J. Shapiro, S. Tagliapietra and G. Wolff (2021) 'The geopolitics of the European Green Deal', Policy Contribution, Issue 04/2021, February 2021, Bruegel, downloaded as a pdf. On 11/09/2024 from https://www.bruegel.org/sites/default/files/private/wp_attachments/PC-04-GrenDeal-2021-1.pdf, p. 1-23

Manners, I. (2002). Normative power Europe: a contradiction in terms? JCMS: Journal of common market studies, Volume 40 Issue 2, https://doi.org/10.1111/1468-5965.00353, p. 235-258.

McNamara, K. M. (2023). Transforming Europe? The EU's industrial policy and geopolitical turn, Journal of European Public Policy, VOL. 31, NO. 9, 2371–23 DOI: 10.1080/13501763.2023.2230247, downloaded as a pdf on 9/09/2024 from https://www-tandfonline-com.uaccess.univie.ac.at/doi/full/10.1080/13501763.2023.2230247, p. 2371-2376

Michel, C. (2020), Twitter, September 8 2020, retrieved from https://twitter.com/eucopresident/status/1303312704015347712?lang=en on 27/11/2023

Michaels, E., & Sus, M. (2024). (Not) Coming of age? Unpacking the European Union's quest for strategic autonomy in security and defence. European Security, Volume 33 Number 3, https://doi-org.uaccess.univie.ac.at/10.1080/09662839.2024.2376603, p. 383–405.

Müller B., Ghiotto L., Bárcena L. (2024), The Raw Materials Rush: How the European Union is using trade agreements to secure supply of critical raw materials for its green transition, Transnational Institute (TNI), De Wittenstraat 25, 1052 AK Amsterdam, The Netherlands,
January 2023 , downloaded as a pdf. on 3/01/2025 from https://www.tni.org/en/publication/the-raw-materials-rush, p. 3-24

Pacheco M. (2024), Why is lithium crucial to the EU's green and digital transition? Euronews.com, published on 09/05/2024 retrieved on 5/9/2024 from https://www.euronews.com/green/2024/05/09/critical-raw-materials-lithium

Paleari S. (2024), The Role of Strategic Autonomy in the EU Green Transition. Sustainability, MDPI, Volume 16, Issue 6, https://doi.org/10.3390/su16062597, p. 1-22

Radu, R. (2023). DNS4EU: a step change in the EU's strategic autonomy? Journal of Cyber Policy, Volume. 8, No. 2, https://doi.org/10.1080/23738871.2023.2295937, p. 239–256

Rieker, P., & Giske, M. T. E. (2024). European Actorness in a Shifting Geopolitical Order: European Strategic Autonomy Through Differentiated Integration. Palgrave Macmillan, Springer Nature, Gewerbestrasse 11, 6330 Cham, Switzerland . doi: 10.1007/978-3-031-44546-0, p. 1-129

Schmitz, L., & Seidl, T. (2023). As Open as Possible, as Autonomous as Necessary: Understanding the Rise of Open Strategic Autonomy in EU Trade Policy. JCMS: Journal of Common Market Studies, Volume 61 Issue 3, https://doi.org/10.1111/jcms.13428, p. 834–852.

Simon, F. (2023). EU in talks with Chile on raw materials 'strategic partnership', Euractiv.com, 15th June 2023 (updated on 19th June 2023), Brussels, accessed on 13th February 2024 from https://www.euractiv.com/section/circular-economy/news/eu-in-talks-with-chile-on-raw-materials-strategic-partnership/

Tocci N. (2021), European Strategic Autonomy: What It Is, Why We Need It, How to Achieve It, Istituto Affari Internazionali (IAI) Via dei Montecatini, 17, Rome, downloaded as a pdf. on 3/01/2025 from https://www.iai.it/sites/default/files/9788893681780.pdf, p. 3-38

U.S. Geological Survey (2024), MINERAL COMMODITY SUMMARIES 2024, downloaded as a pdf. On 19/09/2024 from https://pubs.usgs.gov/periodicals/mcs2024/mcs2024.pdf p. 1-212

Van Pampus M., Hogenboom B., Hoorn C., Sijmonsbergen Arie C. (2023), Uncertainties in the debate on the environmental impact of lithium brine extraction in the Salar de Atacama, Chile, Evolving Earth, Volume 1, December 2023, https://doi.org/10.1016/j.eve.2023.100024, downloaded as a pdf. On 6/11/2024 from https://www.sciencedirect.com/science/article/pii/S2950117223000249?via%3Dihub, p. 1-6

Vásquez Torreblanca, I. (2024). EU-Chile Horizons: Climate Justice for a Shared Strategy on Critical Minerals. Nordic Journal of European Law, Volume 7 Issue 1, doi: 10.36969/njel.v7i1.25799, p. 53–80

WageIndicator Foundation and Centre for Labour Research (2024), Labour Rights Index 2024, https://labourrightsindex.org/lri-2024-documents/lri-2024-complete-3-oct-2024_compressed.pdf, p. 2-257

Zimmermann A. & Preussen W. (2023). LatAm eyes leverage on lithium as EU scrambles for resources. Politico, Brussels, 20th July 2023, accessed on 14th February 2024 from https://www.politico.eu/article/latin-america-eyes-leverage-lithium-as-eu-scrambles-for-resources/