

Guidance Note on Competent Person Requirements and Options for Resources Reporting

Prepared by the Bureau of the Expert Group on Resource Classification

Summary

This document provides non-mandatory guidance for organizations or entities such as national governments, financial institutions and companies, who wish to establish appropriate quality assurance mechanisms, qualification criteria and/or disclosure obligations that can be adopted in circumstances where competency requirements are considered desirable. This document sets out the purpose, scope, definition of a Competent Person, as well as the requirements for and governance of a Competent Person. The guidelines contained in this document reflect options that could be selected, refined and imposed by an organization when the United Nations Framework Classification for Resources (UNFC) or an officially aligned system may be adopted as the classification system and/or mandatory reporting system. A draft of this document was submitted for discussion at the eighth session of the Expert Group. The Expert Group accepted the text of this Guidance note and recommended that this be posted on the UNECE website.

I. Introduction

1. This guidance note on Competent Person is called for in the Expert Group on Resource Classification work plan for 2016–2017 and has been prepared by the Bureau of the Expert Group. A draft of this document was submitted for discussion at the eighth session of the Expert Group. This guidance note follows the companion document Guidance Note to support the United Nations Framework Classification for Resources (UNFC) Specification for Evaluator Qualifications, which provides additional information regarding the Specification for Evaluator Qualifications (Specification M) as documented in UNFC-2009 incorporating Specifications for its Application, ECE Energy Series No. 42, Part II, Annex I. The Expert Group accepted the text of this Guidance note and recommended that this be posted on the UNECE website.

II. Purpose

2. This guidance note is provided for organizations or entities such as national governments, financial institutions and companies, who may wish to establish appropriate quality assurance mechanisms, qualification criteria and/or disclosure obligations that can be adopted in circumstances where explicit mandatory competency requirements are considered desirable.

3. A Competent Person is essential for certain types of reporting functions, especially in the disclosures required by many institutions. However, this may not be essential for the application of a classification system such as UNFC. Hence, this guidance note is not essentially part of UNFC, but could be considered as an option by entities who may wish to apply UNFC for resource classification and resource management functions.

4. The guidelines contained are only options that could be selected, refined or imposed by an organization or entity.

III. Scope

5. A Competent Person can be specified for:

- (a) Estimation of quantities or volumes, and
- (b) Classification of resources for reporting for:
 - (i) national resource management functions;
 - (ii) public reporting by companies;
 - (iii) financial reporting functions of companies; and
 - (iv) internal resource management functions of organizations.

6. The scope of any Competent Person guidelines should be clearly specified by the authority/regulator that is enforcing the requirements.

IV. Definition

7. A Competent Person is one who has the ability to put skills, knowledge and experience into practice in order to perform activities or a job in an effective and efficient manner for resource classification, management and reporting.

8. Classification, management and reporting of resources may be a team effort involving several technical disciplines. In the case of a team effort, it is recommended that there is a clear division of responsibility in a team where each Competent Person and his or her contribution should be identified and responsibility accepted for their particular contribution. If a single Competent Person accepts responsibility for the whole of the documentation, he or she should be satisfied that the supporting work prepared in whole or part by others is acceptable.

V. Competent Person requirements

9. Competency requirements are differentiated as

(a) Generic competencies, which are applicable for any sector for which resource reporting is carried out, such as petroleum, solid minerals, uranium, renewables (geothermal, bioenergy, solar, wind, hydro and others), injection projects, and anthropogenic resources; and

(b) Specific functional competencies, which are applicable to the particular sector for which reporting is carried out.

A. Generic requirements

10. The generic requirements for a Competent Person are listed below:

(a) *Single Person or Group:* Competent Person may be a single person or a team of experts with different backgrounds performing resource management functions. For complex projects where knowledge in different areas are required, reporting should be performed by a team of Competent Persons, each having appropriate education, experience and continuous training in relevant areas.

(b) *Disclosure:* The full name, affiliation, education and experience of the Competent Person providing the estimation should be disclosed. If a group is performing the actions, each member of the group should satisfy all the generic requirements and the specific requirements of the sector for which the person is responsible. All members of the group should disclose their full name, affiliation, education and experience and indicate which specific part of the reporting they are responsible for.

(c) *Responsibility:* The responsibility of the reporting should in all cases rest on the organization or entity reporting the quantities or volumes.

(d) *Education:* A Competent Person should have undergone a managed process of individual learning at a university or academic institution which provides basic knowledge that underpins the science, technology and socio-economics of the sectors for which quantity or volume estimation is being carried out. At a minimum, a Competent Person should have a relevant tertiary degree.

(e) *Experience:* A Competent Person should have relevant experience in resource management functions for the specific technical discipline in the sector for which the resource estimation and reporting is being carried out.

(f) *Continuous Training:* A Competent Person should undergo Continuous Professional Development (CPD). This is a managed process that is focused on the continuous development of specialized knowledge needed to meet resource management functions.

(g) *Licences:* A Competent Person should hold appropriate licences issued by a competent authority if required in the jurisdiction in which he or she is reporting.

(h) *Professional body affiliation:* For the purpose of public reporting, a Competent Person should be affiliated with a professional body or association with an enforceable code of ethics and performance expectations. The regulator/authority could specify the acceptable professional bodies or associations acceptable for the purpose.

(i) *General guidance:* Persons being called upon to act as a Competent Person should be clearly satisfied in their minds that they could face their peers and demonstrate competence in the particular activity and sector under consideration. Should doubt exist, the person should seek opinions from appropriately experienced colleagues or should decline to act as a Competent Person.

B. Specific functional requirements

11. Competencies required for the discharge of resource management functions specific to different sectors may vary. Specific functional requirements may be provided as detailed guidance notes if necessary by sectors such as petroleum, solid minerals, uranium, renewable energy (bioenergy, geothermal, hydro, solar, wind and others), injection projects, and anthropogenic resources.

VI. Governance

12. Competent Person and disclosure requirements may be governed by a body, regulator or authority in appropriate jurisdictions. The governance may at the national level be a Ministry or a Commission mandated by the Government for this task. For financial reporting, the Stock Exchange Commission or a banking sector regulator may govern these requirements. An individual body such as a company may establish its own governance oversight answerable to an independent Board of Directors, trustees or other stakeholders.

VII. Discussion

13. The guidelines contained in this document reflect options that could be selected, refined and imposed by an organization where UNFC may be adopted as a mandatory reporting system. The guidelines have been prepared in the light of current practices and are intended to facilitate consistency, but not to constrain alternative approaches that may be considered more appropriate by the relevant body or organization particularly when the industry or commodity concerned has special/unusual characteristics.
