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ECONOMIC COMMISSION FOR EUROPE

COMMITTEE ON SUSTAINABLE ENERGY

Ad Hoc Group of Experts on Harmonization of
Fossil Energy and Mineral Resources Terminology

Third session
Geneva, 11-13 October 2006

ANNOTATED PROVISIONAL AGENDA FOR THE THIRD SESSION

to be held at the Palais des Nations, Geneva,
starting at 10 a.m. on Wednesday 11 October 2006*

I. INTRODUCTION AND BACKGROUND

1. The continuing consolidation of international capital and commodities markets necessitates common and universally applicable standards. This is especially true of energy markets where strong efficiencies can be gained through the development of a common system to report fossil energy and mineral resources. There is a legitimate concern over the diversity of standards currently being used for the reporting of energy and mineral reserves and resources, as well as how these are used by governments, corporations and shareholders for decision-making.

* Delegates are requested to complete the attached registration form and transmit it to the UNECE secretariat, if possible two weeks prior to the session, either by fax (+41 22 917 0038) or by e-mail (clark.talkington@unece.org and catherine.pierre@unece.org). Prior to the session, delegates are requested to present themselves at the Pass and Identification Unit of the UNOG Security and Safety Section, located at the Pregny Gate, 14, Avenue de la Paix opposite the Red Cross Building (a map is attached) for the issuance of an identification badge at least one hour prior to the beginning of the meeting. In case of difficulty, please contact the UNECE secretariat by telephone (internal extension 74140).

Numerous classification systems are in practice worldwide based on a broad variety of terms and definitions. This semantic diversity of terminology hampers information flow and makes compilation and analysis difficult.

2. Following adoption of the United Nations Economic and Social Council Resolution 233/2004 in 2004, the UNECE initiated a collaborative process to adapt the UN Framework Classification on Fossil Energy and Mineral Resources (UNFC) to other existing classification systems. This effort is being led by the UNECE and the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology with representation from UN member countries and key organizations such as the Combined Reserves International Reporting Standards Committee (CRIRSCO), International Accounting Standards Board (IASB), International Energy Agency (IEA), International Energy Forum (IEF), Organization of Petroleum Exporting Countries (OPEC), Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), World Energy Council (WEC) and others.

3. Through the UNFC, the United Nations seeks to enhance international communication by providing a simple, user-friendly and uniform format for the reporting of fossil energy and mineral commodity reserves/resources, using market-based economic criteria. The major objective of this initiative is twofold: firstly, to encourage UN Member States and international organizations to consider taking appropriate measures for ensuring worldwide application of the UNFC; and secondly, that the development of a global common standard be based on cooperation with recognized professional bodies and harmonization of needs by use of the framework facility provided by the UNFC.

4. The harmonization process has seen important progress in 2006, as witnessed by two important developments:

- (a) Full involvement of CRIRSCO and SPE in the Task Forces to develop and maintain converged solid minerals and petroleum applications of the global terminology through a common process; and
- (b) Strengthening of the Bureau to be fully representative of the stakeholders applying the terminology in global energy studies, government resources management, corporate business process management and financial reporting.

This paves the way for excellence in a need and decision driven formulation of a common global terminology with adequate convergence between the petroleum and solid minerals applications.

5. The Ad Hoc Group of Experts has met twice previously, in November 2004 and in November 2005, making considerable progress at both meetings towards development of a harmonized system through a focused and cooperative programme of work. Participants are advised to visit <http://www.unece.org/ie/se/reserves.html> for more background on the UNFC and the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology, including reports of the first and second sessions.

II. PROVISIONAL AGENDA

1. Introductions and adoption of the Provisional Agenda (ECE/ENERGY/GE.3/2006/1)
2. Election of Officers
3. Activities and priorities of the Committee on Sustainable Energy, and matters for consideration by the Ad Hoc Group of Experts, including the establishment of a body to succeed the Group of Experts when its term ends this year (ECE/ENERGY/67).
4. Report of the Solid Minerals and Petroleum Task Forces
5. IASB Convergence Process
6. Presentation of guidelines for case studies and example case studies utilizing the UNFC
7. Review of identified outstanding national and international needs
8. Governance structure for the UNFC, including financial support
9. Programme of work for 2007
10. Other business
11. Concluding remarks and recommendations
12. Adoption of the report of the meeting (ECE/ENERGY/GE.3/2006/2).

A detailed time schedule for the session will be posted on the web site and sent to registrants prior to the meeting.

III. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1: Introductions and Adoption of the Provisional Agenda (ECE/ENERGY/GE.3/2006/1)

6. In accordance with the Commission's rules of procedure, the first item on the provisional agenda is the adoption of the agenda. The documents for the session will be published in English, French and Russian and will be posted on the UNECE website as soon as they become available at the following address: <http://www.unece.org/ie/se/reserves.html>. The meeting will hear opening remarks from the Chairman, the Bureau and the secretariat.

Item 2: Election of Officers

7. The Ad Hoc Group should elect a Bureau or confirm/re-elect the existing Bureau.

Item 3: Activities and priorities of the Committee on Sustainable Energy, and matters for consideration by the Ad Hoc Group of Experts (ECE/ENERGY/65)

8. The secretariat will provide an overview of recent activities within the work programme of the Committee on Sustainable Energy, with particular emphasis on any decisions taken with regard to the development and application of the UNFC. The Committee on Sustainable Energy will convene its fifteenth session from 28-30 November 2006 in Geneva where it will review all UNECE energy-related programmes, including the work of this Ad Hoc Group of Experts. The Committee will then make recommendations to the UNECE Executive Committee on whether to continue each energy-related programme. The Executive Committee consists of representatives from all 56 member States. The Ad Hoc Group of Experts will discuss and finalize plans for the two-hour session on 28 November 2006 devoted to the work of the Group at the Committee's annual session.

9. In addition, the current term of this Ad Hoc Group of Experts is ending and it will be necessary for the Group of Experts to discuss recommendations for the future framework for this body. This could be continuation as an Ad Hoc Group of Experts or transformation to an alternative, more appropriate UN body.

Item 4: Report of the Solid Minerals and Petroleum Task Forces

10. At its second session, the Ad Hoc Group of Experts created two task forces, one for solid minerals and one for petroleum resources, to develop a harmonized code by use of the framework facility of the UNFC, including specifications and guidelines required to meet international needs. At that session, representatives of CRIRSCO, leading the Task Force on Solid Minerals together with members of the Group of Experts, expressed their commitment to undertake the reconciliation of the UNFC specifications with their own system and to produce the guidelines for application of the UNFC in their sector by the next annual meeting of the Group of Experts. The SPE, leading the Task Force on Petroleum, confirmed its commitment to pursue the development of relevant UNFC specifications, harmonization with its own system and preparation of guidelines for the application of the UNFC in the petroleum field. The SPE and UNECE signed a Memorandum of Understanding in June 2006 confirming this commitment.

11. The leader of each task force will report to the Group of Experts on progress made to date and planned activities.

Item 5: IASB Convergence Process

12. The IASB has initiated an "Extractive Activities Research Project" to undertake research into the financial reporting of minerals and petroleum reserves and resources. A critical component of the research project is an assessment of the potential for convergence of definitions of reserves and resources that are in use in the oil and gas and minerals industries. The IASB believes that greater compatibility in the definitions would provide clear benefits for a future International Reporting Standard (IFRS) dealing with extractive activity accounting. The

IASB is working very closely with the UNECE through the Group of Experts, CRIRSCO, the SPE, and the International Organization of Securities Commissions (IOSCO) on both the research project and the convergence process.

13. There are also very clear linkages between IASB's research project and the work of this Group of Experts. Therefore, the IASB project team and the UNECE have established a channel of communication and dialogue to ensure that each receives effective input from the other.

14. High priority is given to the issue of convergence. A one-day workshop with limited attendance will be arranged in conjunction with this meeting.

Item 6: Presentation of guidelines for case studies and example case studies utilizing the UNFC

15. At its second session in November 2005, the Group of Experts agreed to develop specifications and guidelines to implement the UNFC. An integral aspect of this process is the development of guidelines and of voluntary case studies to illustrate selected aspects of the guidelines. Members of the Minerals and Petroleum Task Forces have agreed to undertake these case studies, and the meeting will receive reports on them. To the extent possible, the meeting will review and discuss the results.

Item 7: Review of identified outstanding national and international needs

16. The meeting will consider the global and local needs to which resources classifications and definitions must respond within the four principal applications, namely: international energy studies, resource management, business processes, and financial reporting. An assessment of the current texts (i.e. the UNFC and its specifications and guidelines) will be made against these needs to confirm their adequacy.

Item 8: Governance structure for the UNFC including financial support

17. An implemented common global code for energy and mineral resources will have long lasting, fundamental and positive effects for the efficiency of the energy and mineral sectors. It will need to be reliable over the long-term. The establishment of a permanent and global governance structure for such a code will be critical to the ongoing success of this initiative. It is intended that this issue be discussed in depth during the meeting. In addition, the governance structure could also provide a framework for broad, coherent and sustained communication, which will be critical for proper application of the UNFC.

18. A draft paper outlining a possible governance structure was prepared for the second session, and the issue was the subject of a significant dialogue among members at the meeting. It was agreed then that the current ad hoc status of the Group of Expert should be maintained, for the time being. The proposal was therefore not considered by the Group of Experts in 2005.

19. The Ad Hoc Group of Experts also discussed the possibility of establishing a trust fund at the UNECE in view of the significant resource commitment required to develop the specifications, guidelines and case studies, the follow-up work to support the implementation of the UNFC and the necessary broad, coherent and sustained communication. The Group of Experts agreed that, on a voluntary basis, financial support could be provided by interested members for its activities and requested the Bureau to consider further the need for financial support, including the modalities of how this could be most effectively managed. To date, the secretariat has not received any funds and has not established a UNECE trust fund. The Ad Hoc Group of Experts will again consider this issue in the light of the discussions on the governance structure.

Item 9: Programme of work for 2007

20. The Ad Hoc Group of Experts will be given an opportunity to discuss and review the programme of work for 2007 and propose specific activities to be carried out during this period.

Item 10. Other business

21. The meeting may discuss any other pertinent issues that arise before or during the meeting, and that fall within the scope of the Terms of Reference of the Ad Hoc Group of Experts (Annex I to ENERGY/GE.3/2005/2).

Item 11: Concluding remarks and recommendations

22. At the time the provisional agenda was prepared, there were no issues to be raised under this item.

Item 12: Adoption of the report of the meeting (ECE/ENERGY/GE.3/2006/2)

Note: Simultaneous interpretation in English, French and Russian will be provided during the meeting. If necessary, additional facilities will be made available for holding parallel meetings of commodity groups.

ANNEX I

AD HOC GROUP OF EXPERTS ON HARMONIZATION OF FOSSIL ENERGY AND MINERAL RESOURCES TERMINOLOGY

Third session, 11-13 October 2006

REGISTRATION FORM

In view of the enhanced security arrangements for access to the Palais des Nations, delegations are asked to inform the secretariat (UNECE Sustainable Energy Division) of their exact composition. Access to the Palais des Nations will be granted only to those in possession of an identity card issued by the Safety and Security Section, Pregny Gate, 14, Avenue de la Paix opposite the Red Cross Building (a map is attached) for the issuance of an identification badge at least one hour prior to the beginning of the meeting. In case of difficulty, please contact the UNECE secretariat by telephone (internal extension 74140).

Each delegate attending the session is therefore urged to register no later than two weeks before the session commences.

To gain initial entry to the Palais, delegates should bring their passport and their registration form to confirm identity. A note will be sent to all registrants in the weeks prior the meeting and will include a detailed time schedule, the location within the Palais where the meeting will be held and other logistical information.

Delegates should complete the attached registration form and return it by fax (+41 22 917 0038) or e-mail (clark.talkington@unece.org and catherine.pierre@unece.org) to:

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UNITED NATIONS OFFICE AT GENEVA *Please Print*

Conference Registration Form

Date

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An additional form is required for spouses.

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Ad Hoc Group of Experts on Harmonization of Fossil Energy & Mineral Resources Terminology, 11-13 October 2006

Delegation/Participant of Country, Organisation or Agency

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Ms. <input type="text"/>	Date Of Birth <input type="text"/> / <input type="text"/> / <input type="text"/> (DD/MM/YYYY)	

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ANNEX II

MAP OF THE UNITED NATIONS OFFICE AT GENEVA

