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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

Fourth session
Geneva, 17-19 October 2007

ANNOTATED PROVISIONAL AGENDA FOR THE FOURTH SESSION

To be held at the Palais des Nations, Geneva,
starting at 10 a.m. on Wednesday 17 October 2007*

I. INTRODUCTION AND BACKGROUND

1. The United Nations Framework Classification (UNFC) for Fossil Energy & Mineral Resources is a 3-dimensional system to facilitate the classification and reporting of energy and mineral resources based on economic, geologic and field status criteria. The 3-dimensional system provides the flexibility to consider the full range of petroleum resources and solid minerals, including conventional and non-conventional resources, with the objective of meeting four distinct, yet interconnected, needs: international energy studies, government resources management, corporate business processes and financial reporting. The system can be tailored

* Delegates are requested to complete the attached registration form and transmit it to the UNECE secretariat at two weeks prior to the session, if possible, either by fax (+41 22 917 0038) or by e-mail (charlotte.griffiths@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, 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).

to meet individual needs, directly adopted as a classification system, or used as a common frame of reference across multiple systems to facilitate cross-communication.

2. Work on the UNFC began in 1992 under the auspices of the UNECE Working Party on Coal. The effort was initiated by member States who saw value in a common classification system for coal and other mineral resources to enhance international communication and cooperation in a time of historic political and economic transformation. The strong support for this early work led the United Nations Economic and Social Council (ECOSOC) to adopt resolution 1997/226 in 1997 encouraging application of the UNFC for mineral resources. In 1999, the UNECE and the Council of Mining and Metallurgical Institutions (CMMI), now the Combined Reserves International Reporting Standards Committee (CRIRSCO), released joint definitions for mineral reserves and resources.

3. Following successful cooperation on minerals, the UNECE Committee on Sustainable Energy in 2001 turned its attention to petroleum resources. A new expert body, the Ad Hoc Group of Experts on the Harmonization of Energy Reserves/Resources Terminology began exploring application of the UNFC to petroleum. These efforts led to a second ECOSOC resolution in 2004, Resolution 233/2004, supporting worldwide application of the UNFC for both petroleum and mineral resources. With this new mandate, the Committee on Sustainable Energy created the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology bringing together experts from the full range of stakeholders to achieve the objectives outlined in its Terms of Reference:

(a) To continue developing the harmonization code of the United Nations Framework Classification for Fossil Energy and Mineral Resources (UNFC) with the existing commodity definitions including those of the Society of Petroleum Engineers (SPE)¹ for petroleum and natural gas, the Combined Reserves International Reporting Standards Committee (CRIRSCO) for solid minerals, and other international, national, and industry-specific codes;

(b) Facilitate development of specifications and guidelines working with the SPE on petroleum and CRIRSCO on solid mineral resources;

(c) Encourage development of education programmes on the UNFC;

(d) Invite and facilitate development of case studies to assess the suitability of the UNFC to petroleum and solid mineral resources; and

(e) Strengthen inter-agency cooperation to support development of a harmonized classification system.

4. After developing the UN Framework Classification for Fossil Fuels and Mineral Resources

¹ The SPE coordinates development of the classification system with three partner organizations: American Association of Petroleum Geologists (AAPG), Society of Petroleum Evaluation Engineers (SPEE), and World Petroleum Council (WPC).

Terminology (UNFC) in 2003 and 2004, the Ad Hoc Group of Experts has prepared for the implementation of UN ECOSOC resolution 233/2004.

5. In 2004, a wide variety of classifications were still in use globally, while the many restatements of reserves reduced public confidence in inventory information applied in financial reporting in particular.
6. After 2004, three important efforts have taken place that have led to partial convergence of the applied terminologies towards the UNFC: (i) the new classification system of the Russian Federation in 2005; (ii) the SPE Petroleum Resources Management System (PRMS) of March 2007; and (iii) the efforts of CRIRSCO and SPE to converge their respective terminologies at the initiative of the International Financial Accounting Standards Board (IASB). At this Fourth Session, it is appropriate to review these efforts and to assess the residual differences with the view to further converge the texts to a global standard in time for the IASB research project's use in producing an exposure draft of an International Financial Reporting Standard for Extractive Activities in mid 2008. Although private investors hold a relatively small portion of the global reserves and resources, particularly of oil and gas, the introduction of revised financial reporting requirements for extractive activities provides an opportunity to implement an improved terminology globally. A special task force has been charged with preparing this item. The task force is led by Ms. Mucella Ersöy and Mr. Per Blystad with Mr. Niall Weatherstone, Mr. Ferdi Camisani, Mr. John Etherington, Mr. Kirill Kavun, Mr. James Ross, and Mr. Andrej Subelj as members.
7. In addition, the meeting will discuss following items:
 - (a) Efforts of the U.S. Securities and Exchange Commission (SEC) in aligning its financial reporting requirements with those of the IASB and its efforts in introducing an extensible business reporting language (XBRL) in association with a taxonomy to facilitate communication between textual information and databases/quantitative information;
 - (b) Extension of the UNFC to recipient reservoirs for storage of CO₂ natural gas and other fluids will be reviewed; and
 - (c) More permanent governing structure and its financing leading to a recommendation to the Committee on Sustainable Energy in this respect.

II. PROVISIONAL AGENDA

1. Adoption of the agenda
2. Election of the Bureau
3. Activities and priorities of the Committee on Sustainable Energy, and matters for consideration by the Ad Hoc Group of Experts

4. Opening remarks from the Chair
5. Review of the programme of work for 2007
6. Review of the American Association of Petroleum Geologists (AAPG)/Society of Petroleum Engineers (SPE) International Multidisciplinary Reserves Conference
7. Future governance of the UNFC
8. Extrabudgetary support
9. Education and training programme
10. UNFC and recipient reservoirs
11. United States Securities and Exchange Commission programme to harmonize SEC and IASB financial reporting requirements and to introduce XBRL to enhance financial reporting
12. Alignment of UNFC for petroleum with the SPE Petroleum Resource Management System (PRMS)
13. Alignment of UNFC for minerals with the Combined Reserves International Reporting Standards Committee (CRIRSCO) system
14. Harmonization of petroleum and minerals classifications
15. Case studies
16. Other business
17. Programme of work for 2008
18. Adoption of the report of the meeting.

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

III. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1: Adoption of the agenda (ECE/ENERGY/GE.3/2007/1)

8. 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>.

Item 2: Election of the Bureau

9. The Ad Hoc Group of Experts elected the existing Bureau in October 2006 to serve for the one-year mandate of the Group of Experts approved by the Committee on Sustainable Energy at its fifteenth session (ECE/ENERGY/ENERGY/68). The Ad Hoc Group of Experts should elect a Bureau or confirm/re-elect the existing Bureau at the fourth session in the event the Committee on Sustainable Energy extends the mandate of the Ad Hoc Group of Experts.

Item 3: Activities and Priorities of the Committee on Sustainable Energy and matters for consideration by the Ad Hoc Group of Experts

10. The secretariat will provide an overview of recent activities within the work programme of the Committee on Sustainable Energy (ECE/ENERGY/68) following its fifteenth session in November 2006, the Work Plan on ECE Reform (E/ECE/1434/Rev.1) and decisions adopted by the Commission at its sixty-second session (25-27 April 2007), with particular emphasis on any decisions taken with regard to the work of the Ad Hoc Group of Experts.

11. Special consideration should be given to the mandate of the Group of Experts. The Committee on Sustainable Energy at its fifteenth session extended the mandate for the Group for only one year until December 2007. At its sixteenth session (28-30 November 2007), the Committee will consider the mandate of the Ad Hoc Group of Experts. Possible options for recommendation to the Committee will be discussed under Item 7, Future governance of the UNFC.

Item 4: Opening Remarks from the Chair

12. The Chair will deliver opening remarks to the meeting.

Item 5: Review of the Programme of Work for 2007

13. At its third session, the Ad Hoc Group of Experts adopted its programme of work for 2007 (ECE/ENERGY/GE.4/2006/2, Section XII). The meeting will review progress in carrying out the programme of work providing a benchmark to measure progress and establishing a reference point for defining the programme of work for 2008.

Item 6: Review of the American Association of Petroleum Geologists/Society of Petroleum Engineers (AAPG/SPE) International Multidisciplinary Reserves Conference

14. The AAPG and SPE co-hosted a conference on oil and gas reserves classification and reporting in Washington D.C., United States in June 2007. The main objective of the conference was to engage users of reserves and resources data in active discussions with the technical professionals who generate the data in an ongoing effort to enhance dialogue. The Chair of the Ad Hoc Group of Experts participated in the conference as both a member of the Conference Steering Committee and a keynote speaker. In addition, the UNECE was represented by the secretariat, and many participants at the AAPG/SPE conference also participate in the work of the Group of Experts. The meeting will receive a report on the proceedings, conclusions, and possible next steps, including linkages with work of the Group of Experts.

Item 7: Future governance of the UNFC

15. In response to the directive of the Group of Experts at its third session to explore possible options for long-term governance of the UNFC, the secretariat with the input of the Bureau has prepared a paper on possible governance structures for the UNFC, outlining six options (ECE/ENERGY/GE.3/2007/3). When considering these options, the Ad Hoc Group of Experts should take into account its Terms of Reference, adopted at its second session (ECE/ENERGY/GE.2/2005/2).

Item 8: Extrabudgetary support

16. The secretariat with the input of the Bureau has prepared a paper, ECE/ENERGY/GE.3/2007/4, on extrabudgetary support. The document provides an overview of extrabudgetary support within the United Nations system, including direct funding, indirect funding, and in-kind support.

Item 9: Education and training programme

17. A key objective for the Group of Experts under its Terms of Reference is the development of an education programme. Rather than a formalized and structured education and outreach campaign, the education programme to date has been somewhat informal and presentations on the UNFC have been delivered around the world on an ad hoc basis. The meeting will consider options for consolidating these efforts with those of the professional organizations and shareholders in an effort to communicate a strongly coherent message on terminology.

Item 10: UNFC and recipient reservoirs

18. At the third session, the SPE recommended that the Group of Experts investigate whether the UNFC would be an appropriate framework for classifying recipient reservoirs for storage of carbon dioxide. Other participants raised the same issue for natural gas. The Chair and

secretariat will report on activities undertaken in response to this request. In addition, the meeting may hear from a panel of experts to inform the discussion.

Item 11: U.S. Securities and Exchange Commission (SEC) programme to harmonize SEC and IASB financial reporting requirements and to introduce XBRL to enhance financial reporting

19. The US SEC has introduced a programme to encourage reporting of interactive financial data using the XBRL programming language. Interactive reporting relies on standardization of reported information to help investors, analysts, and other users find information contained in detailed paper disclosure documents, hence providing users with the ability to access precisely the information in which they are interested and to analyse that data. As a classification system that can be used for both petroleum and mineral resources, the UNFC itself, or through a mapping exercise with other classifications, could support such efforts for the extractive industries. The meeting will discuss the potential benefits of a common terminology for fossil energy and mineral resources to serve an XBRL reporting platform.

Item 12: Harmonization of UNFC for petroleum with the Society of Petroleum Engineers Petroleum Resources Management System (SPE PRMS)

20. The SPE PRMS, developed by the SPE, WPC/ AAPG and SPEE and adopted by the SPE Board in March 2007, represents a significant step forward in petroleum resource classification under the SPE/WPC/AAPG/SPEE system in that it incorporates a project status approach. As a result, alignment of the UNFC for petroleum and the SPE PRMS is very close. The Group of Experts will consider the remaining differences, whether they can be adequately addressed, and a process for proceeding. Such a process could include a mapping exercise.

Item 13: Harmonization of UNFC for solid minerals with the Combined Reserves International Reporting Standards Committee (CRIRSCO) System

21. Similar to the discussions to support alignment with the SPE PRMS, the Ad Hoc Group of Experts will discuss progress in aligning the UNFC with the CRIRSCO system for solid minerals and determine the next steps.

Item 14: Harmonization of UNFC petroleum and minerals classifications

22. In addition to identifying remaining tasks for alignment of the UNFC to petroleum and minerals classification systems, the meeting will also consider harmonization within the UNFC between petroleum and minerals.

23. Delegates should take note that overlap in the discussions of Items 11, 12, and 13 is very likely.

Item 15: Case studies

24. The meeting should consider certain mineral and petroleum deposits to be used in case studies in support of a mapping exercise to align the SPE PRMS, CRIRSCO system, and the UNFC.

Item 16: Other business

25. 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). To the extent possible, delegates are encouraged to notify the secretariat and Chair in advance if they wish to raise an issue under Item 14.

Item 17: Programme of work for 2008

26. The Ad Hoc Group of Experts will be given an opportunity to discuss and review the programme of work for 2008 and to propose specific activities to be carried out during this period.

Item 18. Adoption of the report of the meeting

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

ANNEX I

Ad Hoc Group of Experts on Harmonization of Fossil Energy & Mineral Resources
Terminology
Fourth session, 17-19 October 2007
Room XI¹, Palais des Nations
Geneva

PROVISIONAL TIMETABLE²

17 October 2007

08:00 – 10:00	Registration at the Pregny Gate, 14 Avenue de la Paix ³
	Items 1, 2, 3, 4, 5, 6
10:00 – 13:00	
	Items 7, 8, 9, 10,11
15:00 – 18:00	

18 October 2007

10:00 – 13:00	Items 12-14
15:00 – 18:00	Items 12-14 (cont.)

19 October 2007

10:00 – 13:00	Items 12-14 (cont.), 15
15:00 – 18:00	Items 16-18
18:00	Fourth Session adjourns

¹ Secretariat will send out confirmation of room and directions to the room prior to the meeting.

² Schedule subject to change; detailed timetable will be posted on the UNECE website at <http://www.unece.org/ie/se/reserves.html> prior to the meeting

³ Registration is open every working day at the Pregny Gate from 8:00 a.m. to 5:00 p.m. The telephone numbers for Security at Pregny Gate are +41 (0) 22 917 50 02 / + 41 (0) 22 917 50 42 / + 41 (0) 917 12 40.

ANNEX II

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

Fourth session, 17-19 October 2007

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 (charlotte.griffiths@unece.org and catherine.pierre@unece.org) to:

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Title of the Conference

4TH Session, AHGE on Harmonization of Fossil Energy and Mineral Resources Terminology, 17-19 Oct. 2007

Delegation/Participant of Country, Organisation or Agency

Participant

Family Name

First Name

Mr.

Mrs.

Ms.

Date Of Birth

/ /

(DD/MM/YYYY)

Participation Category

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Observer Organisation

Participation

Delegation Member

NGO (ECOSOC Accred.)

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