

**Economic and Social Council**Distr.: General  
9 September 2013

Original: English

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**Economic Commission for Europe****Committee on Sustainable Energy****Twenty-second session**

Geneva, 21-22 November 2013

Item 7 of the provisional agenda

**Review of the work of the Committee and its subsidiary bodies in light of Appendix II of the Outcome of the Review of the 2005 ECE reform****Procedural matters related to the Expert Group on Resource Classification****Note by the secretariat****I. Introduction**

1. This document outlines the issues relating to the Expert Group on Resource Classification that require the attention of the Committee on Sustainable Energy at its twenty-second session.

**II. Revised Terms of Reference for the Expert Group on Resource Classification**

2. The Terms of Reference of the Expert Group were revised in the light of the Outcome of the review of the 2005 reform of the United Nations Economic Commission for Europe (ECE).

3. The Expert Group at its fourth session endorsed its revised Terms of Reference as contained in annex I. The Expert Group noted that the revised text takes into account the Outcome of the Review of the 2005 ECE Reform. The Expert Group recommended that the revised Terms of Reference be submitted to the Committee and the ECE Executive Committee for approval.

4. The Committee is requested to approve the revised Terms of Reference of the Expert Group.

### **III. Programme of work for 2013–2014 for the Expert Group on Resource Classification**

5. After discussion and review of its programme of work for 2012–13 and in the light of the Outcome of the Review of the 2005 ECE Reform, the Expert Group at its fourth session agreed on its programme of work for 2013–2014 as provided in annex II. The Expert Group recommended that it be submitted to the Committee and the ECE Executive Committee for endorsement.
6. The Committee is requested to endorse the Expert Group's programme of work for 2013–2014.

### **IV. Renewal of the Mandate of the Expert Group on Resource Classification**

7. The Executive Committee at its meeting on 26 February 2010 approved the extension of the mandate of the Expert Group on Resource Classification, for a five-year period, up to December 2014.
8. The Expert Group at its fourth session noted that its five-year mandate expires in December 2014 and strongly endorsed the need for the renewal of this term.
9. Stakeholders or end-users of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009) need the assurance of continuity and long-term governance offered by a five-year mandate. Resource classification is a lasting, dynamic issue, as demonstrated by the periodic modifications and updates experienced by commodity-specific resource classification schemes. In particular, the development of new technologies means that any resource classification system cannot remain static. There is a need for on-going maintenance, technical advice, guidance and periodic updates in order to ensure that UNFC-2009 remains relevant, useful, and operates efficiently. All stakeholders using the classification system need the assurance that technical advice and improvements to UNFC-2009 will be provided as necessary to adapt and refine its capabilities.
10. The Expert Group agreed that a renewal of its five-year mandate on expiry be submitted to the twenty-second session of the Committee for endorsement and to the ECE Executive Committee for approval.
11. The Committee is requested to endorse the renewal of the five-year mandate of the Expert Group on expiry in December 2014.

### **V. Specifications for the Application of UNFC-2009**

12. Specifications are required to operationalize UNFC-2009. Specifications are needed because they set out the basic rules that are considered necessary to ensure an appropriate level of consistency and coherence in application of the Framework Classification. They provide additional instructions on how the definitions of UNFC-2009 must be applied in specific circumstances including, where appropriate, commodity-specific rules.
13. The Expert Group at its fourth session endorsed the Specifications for the Application of UNFC-2009 as contained in document ECE/ENERGY/2013/L.1. This document contains the generic specifications for UNFC-2009, together with the solid minerals and petroleum-specific specifications. The Expert Group recommended that the

Specifications for the Application of UNFC-2009 be submitted to the Committee for approval.

14. The Expert Group further requested that the final text be issued as a publication in all languages of the United Nations as soon as practicable in order to facilitate further implementation of Economic and Social Council Decision 2004/233. The Expert Group additionally requested that the Specifications for the Application of UNFC-2009 be published together with the text of UNFC-2009 in view of the fact that the specifications operationalize UNFC-2009 and therefore should preferably be disseminated as one “package”. The Expert Group noted that the publication containing UNFC-2009 and the specifications for its application should be circulated to all major stakeholders/end-users of UNFC-2009 by December 2013, but ideally by August 2013 in line with the Outcome of the review of the ECE reform of 2005.

15. The Committee is requested to approve the Specifications for the Application of UNFC-2009 as contained in document ECE/ENERGY/2013/L.1. The Committee is further requested to approve the issuance of the final text of the Specifications for the Application of UNFC-2009 as a publication in all languages of the United Nations. The publication should include the text of UNFC-2009 since the specifications operationalize UNFC-2009 and therefore should preferably be disseminated as one “package”.

## **VI. Technical Advisory Group**

16. A Technical Advisory Group is required to provide additional guidance and advice on the application of UNFC-2009. All stakeholders using the Framework Classification need the assurance that technical advice and improvements to UNFC-2009 will be provided as necessary to adapt and refine its capabilities.

17. The Expert Group on Resource Classification Task Force on the UNFC-2009 Technical Advisory Group prepared a draft Terms of Reference for such a Technical Advisory Group. This is in line with the Outcome of the Review of the 2005 ECE Reform related to UNFC-2009, notably the requested concrete activity to “develop proposals on how to conduct on-going maintenance, technical advice, guidance and periodic updates to UNFC in order to ensure the system remains relevant, useful, and operates efficiently in light of on-going technological developments including in the field of carbon capture and storage.”

18. The Expert Group on Resource Classification at its fourth session endorsed the draft Terms of Reference for the Technical Advisory Group as contained in annex III and recommended that they be submitted to the Committee and the ECE Executive Committee for adoption.

19. The Expert Group also recommended that the Technical Advisory Group be established as soon as practicable, but preferably by December 2013. The Expert Group tasked the Bureau to identify the membership of the Technical Advisory Group and circulate to the Expert Group for endorsement.

20. The Committee is requested to adopt the Terms of Reference for the Technical Advisory Group.

## **VII. Implementation of UNFC-2009**

21. As required under the programme and performance monitoring programme for the current biennium (2012–2013), a report on the Implementation of UNFC-2009 has been

prepared for presentation to the Committee at its twenty-second session (ECE/ENERGY/2013/3).

22. The Committee is requested to take note of the report on implementation of UNFC-2009 as contained in document ECE/ENERGY/2013/3.

## **VIII. Use of UNFC-2009 for classifying injection projects**

23. The Expert Group on Resource Classification Task Force on UNFC and Recipient Reservoirs (established according to the Programme of Work for the Expert Group on Resource Classification for 2009-2010) is carrying out research on the potential use of UNFC-2009 for classifying injection projects (e.g., storage of carbon dioxide, natural gas storage or other waste disposal projects). This is in line with the decision A(65) Outcome of the review of the 2005 reform of ECE related to UNFC-2009, notably the requested concrete activity to “develop proposals on how to conduct on-going maintenance, technical advice, guidance and periodic updates to UNFC in order to ensure the system remains relevant, useful, and operates efficiently in light of on-going technological developments including in the field of carbon capture and storage.”

24. The Expert Group at its fourth session agreed that the Task Force should assess the documentation that would be required for UNFC-2009 to be used to classify injection projects, in particular for the storage of carbon dioxide, and requested that the Task Force prepare a proposal and timeline for this and that this be submitted to the Bureau of the Expert Group for review prior to submission to the twenty-second session of the Committee on Sustainable Energy.

25. An unofficial room document outlining the proposal and timeline will be submitted to the Committee for review.

## **IX. Application of UNFC-2009 to renewable energy resources**

26. The Expert Group noted decision A(65) Outcome of the review of the 2005 reform of ECE, related to the concrete activity to “develop ideas on how UNFC could apply to and integrate renewable energy by December 2013”.

27. Following discussion and review at its fourth session, the Expert Group concluded that UNFC-2009 can be applied to renewable energy resources subject to the development of appropriate bridging documents. This would for the first time allow development of a single classification system encompassing both renewable and non-renewable projects and improve the view of energy sustainability. A general classification system for renewable energy does not currently exist worldwide. In order to deliver on this work, the Expert Group recommended that an ad hoc Task Force on the Application of UNFC-2009 to Renewable Energy Resources be established; together with a number of renewable technology-specific sub-Task Forces. The Task Force and sub-Task Forces are established by and report to the Bureau of the Expert Group between Expert Group sessions.

28. The Expert Group requested the preparation of an outline document detailing how the application of UNFC-2009 to renewable energy resources will be accomplished with an accompanying timeline for each of the deliverables and that this be submitted to the twenty-second session of the Committee on Sustainable Energy.

29. An unofficial room document prepared by the Task Force outlining the proposal and accompanying timeline for the work involved in applying UNFC-2009 to renewable energy resources will be submitted to the Committee for review.

## Annex I

### Terms of Reference for the Expert Group on Resource Classification

The terms of reference provided below were revised by the Expert Group in the light of the Outcome of the Review of the 2005 Reform of ECE and were agreed by the Expert Group at its fourth session.

**Background:** The Ad Hoc Group of Experts on the Harmonization of Energy Reserves and Resources Terminology was created by the decision of the Committee on Sustainable Energy at its eleventh session in November 2001 (ECE/ENERGY/47, para.13). In recognition of the on-going need to continue to develop and promote the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources (UNFC-2009) the name was changed to the Expert Group on Resource Classification by decision of the Committee on Sustainable Energy of November 2009 (ECE/ENERGY/80, para. 21(c)).

**Mandate:** The decision of the Committee on Sustainable Energy, November 2009 (ECE/ENERGY/80, paragraph 21(d)), which requested that the Expert Group continue its work for a period of five years starting in 2010 and report its achievements and plans yearly. The decision of the United Nations Economic Commission for Europe of April 2013 (A(65) Outcome of the review of the 2005 reform of ECE) related to UNFC-2009 (annex II, section VI).

The objectives of the Expert Group are to:

(a) Seek to continue developing the harmonization code of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009) with the existing commodity definitions, bearing in mind ECOSOC Decision 2004/233, which encourages Member States of the United Nations, the United Nations regional commissions and international organizations to consider taking appropriate measures for ensuring worldwide application of the UNFC. It would be appropriate to ensure that the development of a harmonization code be based upon cooperation with recognized industry professional societies by use of the framework facility provided by UNFC-2009;

(b) Provide specifications and guidelines for UNFC-2009 through cooperation with the Society of Petroleum Engineers (SPE) for petroleum and the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) for solid minerals, recognizing that it is useful that they be tailored to meet, to the extent possible, the needs of applications pertaining to global energy and mineral studies, government resource management functions, corporate business processes and financial reporting standards;

(c) Develop proposals with accompanying timelines on how UNFC-2009 could apply to and integrate renewable energy resources;

(d) Establish and maintain a Technical Advisory Group to conduct on-going maintenance, technical advice, guidance and periodic updates to UNFC-2009 in order to ensure the system remains relevant, useful, and operates efficiently in light of on-going technological developments;

(e) Continue to explore and develop other applications of UNFC-2009, including to nuclear fuel resources and injection projects, in particular for storage of carbon dioxide;

(f) Encourage the development of education programmes on UNFC-2009, using in particular the capabilities of industry professional societies;

(g) Invite and facilitate development of case studies on a voluntary basis, using the developed specifications and guidelines if any, to fully assess the suitability of applying UNFC-2009 to a comprehensive range of individual deposits of fossil energy and mineral resources. Such case studies would serve to demonstrate the various strengths of UNFC-2009 under diverse applications;

(h) Seek to strengthen interagency cooperation and to cooperate and collaborate with all stakeholders/UNFC-2009 end-users, including other governmental and non-governmental organizations and the business community/private sector and professional associations in order to realize the above objectives. The international organizations include, but are not limited to, the International Atomic Energy Agency (IAEA), the International Energy Agency (IEA), the International Energy Forum Secretariat (IEFS), the Organization of the Petroleum Exporting Countries Secretariat (OPEC), the World Petroleum Council (WPC) and the World Energy Council (WEC). The professional associations include, but are not limited to, the American Association of Petroleum Geologists (AAPG), CRIRSCO, the European Association of Geoscientists and Engineers (EAGE), the European Federation of Geologists (EFG), the International Accounting Standards Board (IASB), the International Valuation Standards Council (IVSC), the Society of Exploration Geophysicists (SEG), SPE and the Society of Petroleum Evaluation Engineers (SPEE).

## Annex II

### Expert Group on Resource Classification programme of work for 2013–2014

1. After discussion and review of the programme of work for 2012–13 as recommended at the third session of the Expert Group on Resource Classification and included in the report of that meeting (ECE/ENERGY/GE.3/2012/2) and in the light of the Outcome of the Review of the 2005 ECE Reform, the Expert Group agreed on its programme of work for 2013–2014 as provided below. The Expert Group recommended that the programme of work for 2013–2014 be submitted to the Committee on Sustainable Energy and the ECE Executive Committee for endorsement.

#### A. Specifications for UNFC-2009

**Description:** Specifications (or basic rules of application) are needed for UNFC-2009 in order to ensure an appropriate level of consistency and coherence when it is applied. They provide additional instructions on how the definitions contained in UNFC-2009 must be applied in specific circumstances including, where appropriate, commodity-specific rules. At the first session of the Expert Group, the Specifications Task Force Phase Two (established by and reporting to the Bureau) was tasked to consider all issues raised by stakeholders that are not currently addressed fully in the CRIRSCO Template and/or the Petroleum Resources Management System (PRMS)<sup>1</sup> and as contained in the final version of the report of the original Specifications Task Force (ECE/ENERGY/2010/8). Following agreement on the final text of the specifications at the fourth session, the Expert Group recommended them for endorsement by the Committee on Sustainable Energy and subsequently by the ECE Executive Committee. With the finalization of the specifications, UNFC-2009 is now ready for the first rounds of full scale application, in order to fulfill ECOSOC Decision 2004/233.

**Work to be undertaken:** The generic specifications and the commodity-specific specifications appropriate to solid minerals and petroleum (based on bridging documents to the CRIRSCO Template (for solid minerals) and PRMS (for petroleum)) as agreed at the fourth session are to be published together with UNFC-2009 in all official languages of the United Nations to facilitate further implementation of ECOSOC Decision 2004/233. Prior to the formation of the Technical Advisory Group, the Specifications Task Force is to provide technical advice to UNFC-2009 stakeholders regarding the application of UNFC-2009 and related matters according to its revised Terms of Reference (EGRC-4/2013/INF.4, dated 10 April 2013). The specifications as agreed at the fourth session will be submitted to the Committee on Sustainable Energy and the ECE Executive Committee for endorsement in the second quarter of 2013.

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<sup>1</sup> Petroleum Resources Management System (PRMS), which is widely used as the basis for petroleum classification, was approved by the Board of SPE in March 2007 and endorsed by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Evaluation Engineers (SPEE) and the Society of Exploration Geophysicists (SEG).

**Deliverables:**

- (a) Publication of UNFC-2009 together with the specifications as a single publication in all United Nations languages;
- (b) A summary report to be presented to the fifth session of the Expert Group of any advice provided by the Specifications Task Force under its revised Terms of Reference, containing among other things:
  - (i) Recommendations for recognizing bridging documents to other classifications;
  - (ii) Review options for broadening the application of UNFC-2009;
  - (iii) An account of other substantial achievements since the last report;
  - (iv) Electronic dissemination of the publication containing UNFC-2009 and the specifications where appropriate;
- (v) Publication of UNFC-2009 with specifications as soon as practicable following approval to do so by the Committee on Sustainable Energy and the ECE Executive Committee and preferably by August 2013.

**Timeline:** 2013 to on-going.

**B. Technical Advisory Group**

**Description:** At the first session of the Expert Group it was agreed that the Bureau should progress establishment of a Technical Advisory Group, including development of a mandate, methodology of operation and rules of procedure, list of deliverables, membership list and potential sources of extrabudgetary funding, for consideration at the second session of the Expert Group. A recommendation from the fourth session of the Expert Group, for submission to the Committee on Sustainable Energy for endorsement, is made to establish a Technical Advisory Group. This Group is needed to provide assistance and advice on how to interpret, apply and/or map to UNFC-2009 as and when requested, as well as to compile and analyze the results of such initiatives.

**Work to be undertaken:** Once consent is obtained from the Committee on Sustainable Energy for the Bureau to establish the Technical Advisory Group, it will perform in accordance with the terms of reference outlined in document ECE/ENERGY/GE.3/2013/5. The Bureau will review the terms of reference on an on-going basis and should any modifications be proposed they would be submitted to the Expert Group for consideration.

**Deliverables:** Technical Advisory Group established by end-2013 and operational during 2013 or first-half of 2014.

**Timeline:** 2013 to on-going.

**C. Testing and review of UNFC-2009**

**Description:** Widespread testing of UNFC-2009 is essential to ensure the classification meets the needs of its stakeholders and also to ensure it remains current. The Committee on Sustainable Energy has also directed the Expert Group to reinforce its efforts to encourage testing and application of UNFC-2009 as widely as possible and that feedback on this continue to be monitored and reviewed at least every two years.

**Work to be undertaken:** Encourage members of the Expert Group to test UNFC-2009 in their own work environments. Encourage stakeholders to carry out cross-mapping with other systems. Ideally, this would include government to government mapping, mapping to commercial systems, and testing of the bridging documents to the CRIRSCO Template and

PRMS. Results should be compiled and analyzed by the Specifications Task Force (until the Technical Advisory Group is established) and reported to the Bureau and to the Expert Group.

Case studies shall be sought to demonstrate that UNFC-2009 meets the needs of the four principal applications for which it has been designed (international energy and mineral policy formulation; Government resource management; industry business process management; and financial analyses and capital allocation).

Results of testing and case studies on UNFC-2009 should be prepared for review by the Expert Group and then compiled in an electronic publication and posted to the ECE website.

The Bureau is to review UNFC-2009 to determine if any modifications or additions are required to meet the needs of end-users and to facilitate its broader application as envisaged in the Outcome of the Review of the ECE Reform of 2005.

As required under the programme and performance monitoring programme for the current biennium (2012–2013) a report on the Status of the Implementation of UNFC-2009 should be prepared for presentation to the Committee on Sustainable at its twenty-second session in November 2013.

**Deliverables:** Case studies demonstrating how a UNFC-2009 inventory is built, and how it may be used for: international energy and mineral policy formulation; Government resource management; industry business process management; and financial analyses and capital allocation.

A Status Report on the Implementation of UNFC-2009 for submission to the Committee on Sustainable Energy at its twenty-second session in November 2013. A draft of this will be circulated to the Expert Group prior to submission.

Proposals for modifications to UNFC-2009 to be presented to the fifth session of the Expert Group.

**Timeline:** 2013 to on-going. The work will be undertaken when opportunities avail themselves respecting that there are currently no funds available to commission it. Results will be reported when available. A summary report of the activities will be made at each meeting of the Expert Group.

## D. Education and outreach

**Description:** The Expert Group established a Communications Sub-Committee at its first session, with a mandate to develop and implement a communications and education strategy to ensure that opportunities to promote UNFC-2009 globally and to deliver a consistent message are maximized, including through conferences, workshops, articles and technical papers. The Sub-Committee was also tasked to assist with identification of experts in countries and organizations not already represented in the Expert Group. Following finalization of the specifications for application of UNFC-2009, the Communications Sub-Committee will cooperate with the Technical Advisory Group in relation to the increased education and outreach that will be needed to facilitate the roll-out of UNFC-2009. The Communications Sub-Committee will propose a revised mandate to reflect (i) the range of UNFC-2009 end-users, including the renewable energy resources sector; (ii) the need to coordinate its work with the Technical Advisory Group once established; and (iii) the need to encompass academic institutions. In the interim the Communications Sub-Committee will coordinate its work with the Specifications Task Force as required.

**Work to be undertaken:** The Communications Sub-Committee is to continue its work to promote the Expert Group and UNFC-2009 as per its mandate, with a review of activities to be prepared for the fifth session of the Expert Group. Subject to resources (human and financial), attention is to be given to organizing national and regional workshops globally.

**Deliverables:** A report of the activities of the Communications Sub-Committee to be delivered to the fifth session of the Expert Group.

**Timeline:** 2013 to on-going (to be reviewed annually).

## **E. Use of UNFC in classifying injection projects**

**Description:** It was recommended at the first session of the Expert Group that a Task Force on UNFC and Recipient Reservoirs be established by and report to the Bureau to continue to research and develop views on this potential use of UNFC-2009 and identify additional key stakeholders who could provide critical analysis and feedback on the practicality of applying UNFC-2009 for these types of projects. The Task Force is carrying out research on the potential use of UNFC-2009 for classifying injection projects (e.g., storage of carbon dioxide, natural gas storage or other waste disposal projects).

**Work to be undertaken:** Continue work to investigate how, for example, oil and gas companies classify and evaluate the maturity of their gas injection projects today, and propose a draft bridging document. An update on any findings is to be provided to the fifth session of the Expert Group and relevant documentation prepared for that session.

**Deliverables:** An assessment of how stakeholders classify and evaluate the maturity of their gas injection projects today. A bridging document for application of UNFC-2009 to injection projects, in particular to the storage of carbon dioxide.

**Timeline:** 2013–2014 (subject to review at the fifth session of the Expert Group).

## **F. Application of UNFC-2009 to nuclear fuel resources**

**Description:** Classification of nuclear fuel resources is currently undertaken according to the Organisation for Economic Co-operation and Development (OECD) Nuclear Energy Agency (NEA)/International Atomic Energy Agency (IAEA) “Red Book” classification system. The NEA/IAEA “Red Book” will be aligned with UNFC-2009. This is the response to the extensive efforts of IAEA to build technical capacity on UNFC-2009 globally and the ensuing requests from a number of governments. Work on this proposed activity has been underway since 2010 and considerable achievements have been made.

**Work to be undertaken:** A Task Force, to be led by IAEA, will be established to undertake the necessary work for UNFC-2009 to be applied to nuclear fuel resources.

**Deliverables:** Establishment of a Task Force led by IAEA to facilitate application of UNFC-2009 to nuclear fuel resources. A bridging document relating to the NEA/IAEA “Red Book” classification of nuclear fuel resources to UNFC-2009 and vice versa will be presented to the Expert Group for consideration and recommendation at its fifth session. Appropriate guidelines will be incorporated to ensure consistent application of UNFC-2009 to nuclear fuels thereby allowing use of the higher granularity of UNFC-2009 and its harmonization advantages.

**Timeline:** 2013–2014 (subject to review at the fifth session of the Expert Group).

## G. Application of UNFC-2009 to renewable energy projects

**Description:** Renewable energy resources increasingly provide sustainable and much needed fuel and power globally. As the renewable industry becomes a fully commercialized sector, it is important to quantify in a common and transparent way the amount of resources contributed both at a project level and to the regional and global energy systems. This must be undertaken in a way that allows a comparison with other energy resources using common frameworks. If UNFC-2009 could also be applied to renewable energy resources, this would for the first time allow development of a classification system for renewable and non-renewable projects and improve the view of energy sustainability. A general classification system for renewable energy does not currently exist worldwide.

**Work to be undertaken:** Produce a written assessment of how UNFC-2009 can be applied to renewable energy resources with an accompanying timeline for each of the deliverables. The Bureau will establish a Task Force on Renewable Resources with a number of renewable technology specific sub-task forces.

**Deliverables:** Establishment of a Task Force on Renewable Resources and sub-task forces as appropriate. A written outline of how the application of UNFC-2009 to renewable energy resources will be accomplished with a timeline for each deliverable will be circulated to the Expert Group and outputs made available on the ECE website prior to submission to the Committee on Sustainable Energy.

**Timeline:** By 1 November 2013 for submission to the twenty-second session of the Committee on Sustainable Energy.

## H. Financial reporting

**Description:** UNFC has been designed to meet, to the extent possible, the needs of all applications pertaining to financial reporting standards, particularly those promulgated by the International Accounting Standards Board (IASB). The Expert Group cooperates closely with the IASB, which has undertaken an extractive activities research project to analyse the unique financial reporting issues applicable to extractive activities and to identify a basis on which a financial reporting model might be developed to address these issues. If the IASB decides in the future to add an International Financial Reporting Standard (IFRS) for extractive activities to its active agenda, the objective would be to develop an IFRS on accounting for extractive activities that would supersede IFRS 6: Exploration for and Evaluation of Mineral Resources.

**Work to be undertaken:** The Bureau of the Expert Group is to monitor relevant developments in financial reporting globally that might have an impact on reserves and resources and prepare any necessary documentation for the fifth session.

**Deliverables:** Status report on any changes or developments in the financial reporting sector globally with implications or potential implications for UNFC-2009.

**Timeline:** 2013 to on-going (with annual review).

## I. Collaboration and cooperation with other bodies

**Description:** UNFC-2009 has been designed to meet essential needs in international energy and minerals policy formulation, Government resources management, industry business processes management and capital allocation. This has required close collaboration and cooperation with stakeholders from these four areas of application.

**Work to be undertaken:** Continue to collaborate and cooperate with as wide a range of stakeholders as possible and identify new partners, particularly within non-UNECE member countries.

**Deliverables:** A list of stakeholders who either participate actively in meetings of the Expert Group or who have expressed an interest in doing so is to be prepared for the fifth session of the Expert Group.

**Timeline:** 2013 to on-going.

## **J. Electronic communication**

**Description:** The dissemination of Expert Group deliverables to relevant stakeholders and end users will continue to be made using electronic communication facilities whenever these are fit for purpose. The Expert Group will likewise use electronic communication internally in the Group and throughout its network. To this end, the network of experts will be maintained using a central inventory of contacts. These activities will reflect the position of ECE as the United Nations-wide centre of excellence on resource classification.

**Work to be undertaken:** Electronic dissemination of the deliverables of the Expert Group to the extent possible and practicable. Development of a centralized database of UNFC-2009 end-user contacts.

**Deliverables:** An enhanced and centralized database of UNFC-2009 end-user contacts. Electronic dissemination of the deliverables of the Expert Group.

**Timeline:** 2013 to on-going.

## Annex III

### **Terms of Reference for the Expert Group on Resource Classification Technical Advisory Group**

#### **Prepared by the Task Force on the UNFC-2009 Technical Advisory Group**

#### **I. Introduction**

1. At the seventh session of the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology (the predecessor to the Expert Group on Resource Classification) it was recommended that a Technical Advisory Group should be established to provide assistance and advice on how to interpret, apply and/or map to the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009) as and when requested, as well as to compile and analyze the results of such initiatives.

2. The Programme of Work for the Expert Group on Resource Classification for 2010–2011 requested the Bureau of the Expert Group to progress establishment of a Technical Advisory Group, including the development of a mandate, methodology of operation and rules of procedure, list of deliverables, membership list and potential sources of extrabudgetary funding, for consideration at the second session of the Expert Group. Due to the priority to finalize the draft specifications for the application of UNFC-2009, the work was put on hold. In 2012, the Expert Group at its third session recommended that progress be made on establishment of a Technical Advisory Group in parallel with the development of the specifications for UNFC-2009.

3. A number of experts volunteered in May 2012 to progress the work up until the fourth session of the Expert Group in April 2013. This work included determining the parameters for the Technical Advisory Group and preparing relevant documentation for review by the Expert Group at its fourth session. The members of the Task Force on the Technical Advisory Group are Leesa Carson, Carolina Coll, Mucella Ersoy, David MacDonald (Chair, Expert Group on Resource Classification) and John Ritter (Chair, Task Force on the Technical Advisory Group).

4. This document provides the Terms of Reference for the Technical Advisory Group prepared by the Task Force.

5. The text was reviewed by the Expert Group on Resource Classification at its fourth session. The Expert Group subsequently endorsed the draft Terms of Reference and recommended that they be submitted to the Committee and the ECE Executive Committee for adoption.

#### **II. Terms of Reference for the Technical Advisory Group**

##### **A. Group Name**

6. The Technical Advisory Group of the Expert Group on Resource Classification (Technical Advisory Group).

## **B. Type**

7. The Technical Advisory Group is a standing group of the Expert Group on Resource Classification. The Expert Group has a mandate of five years, and the Technical Advisory Group shall have a mandate period which mirrors that of the Expert Group. As implied in its name, the Technical Advisory Group is strictly advisory in nature, and has no decision-making authority.

## **C. Mission**

8. To provide technical advice and assistance to the Stakeholder on the interpretations and/or applications of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009<sup>2</sup>), through timely reporting of such interactions to the Bureau of the Expert Group as well as the Expert Group on Resource Classification. Such activities include, but are not necessarily limited to: provision of advice on application of UNFC-2009, acting as a resource for presentations or training on UNFC-2009, the review of mapping of other resource classification systems to UNFC-2009, the testing or preparation of case studies on UNFC-2009 and identifying potential updates that may be required in UNFC-2009 and its Specifications, including Bridging Documents that are the result of mapping initiatives. The principal Stakeholder groups, or constituencies, to which this advice and assistance is offered include: (i) analysts of energy and mineral resources; (ii) governments; (iii) industry; and (iv) the financial community.

## **D. Scope**

9. The objectives of the Technical Advisory Group are to:

- (a) Provide assistance and advice on interpreting, applying and/or mapping to UNFC-2009;
- (b) Act as presenters or trainers as needed on various aspects of the development and application of UNFC-2009 to various Stakeholders;
- (c) Receive, compile and analyse the results of mapping initiatives;
- (d) Report the outcome of the Stakeholder reports (including government mapping as well as commercial systems) to the Bureau and then to the Expert Group on Resource Classification;
- (e) Compile and evaluate stakeholder's recommendations for additional specifications and guidelines that result from these mapping initiatives;
- (f) Annually report the Group's activities to the Bureau and the Expert Group on Resource Classification;
- (g) Review draft Bridging Documents and recommend, or not, endorsement by the Bureau and the Expert Group.

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<sup>2</sup> References here-in to UNFC-2009 are intended to include UNFC-2009 or any subsequent amended versions.

## **E. Stakeholder Issues**

10. Stakeholders may pose questions or requests for advice and assistance to the Bureau for forwarding to the Technical Advisory Group or directly to the Technical Advisory Group itself. Discussion of issues and questions amongst Technical Advisory Group members may be in person or by written submission. Where appropriate, the Technical Advisory Group will call upon other members of the Expert Group on Resource Classification for preparation of their response.

11. Responses to Stakeholders will be copied to the Bureau and a summary of these responses will be presented annually to the Expert Group on Resource Classification.

12. The Technical Advisory Group will report to the Bureau and then to the Expert Group on Resource Classification, following Bureau review. The Technical Advisory Group will provide a summary report on the advice it has given on how to interpret, apply and/or map to UNFC-2009, or any subsequent updated versions, and on analysis and compilation of results of such initiatives whenever such advice is formally requested by a Stakeholder.

13. Reports from the Technical Advisory Group will be provided as outlined in Section J “Deliverables” of this Terms of Reference. Each report will effectively summarize the advice offered and, if necessary, an action list. Reports are non-attributable, and there will be no references to comments made by individual members.

## **F. Meeting Arrangements**

14. The Technical Advisory Group will meet as often as required and at least once every Quarter.

15. Meetings will be conducted via audio or videoconference or similar method at a time agreed by the members.

16. An in-person meeting will be convened at the time of the annual meeting of the Expert Group on Resource Classification.

17. A secretariat will be provided by the United Nations Economic Commission for Europe (ECE), who will record and prepare minutes, and prepare meeting agendas in cooperation with the Chair.

18. A notice and agenda of a Technical Advisory Group meeting must be given to each representative member at least ten business days prior to the meeting.

19. The meeting will be led by the elected Chair. If the designated Chair is not available, the Chair will nominate a member to be responsible for convening and conducting that meeting.

20. The role and responsibility of the Chair is to promote full participation by all, ensuring consideration is given to the appropriate issues, follow-up and adequate reporting.

21. The meeting minutes will be prepared by the ECE secretariat and circulated to the members of the Technical Advisory Group as soon as practicable, but preferably no later than ten business days after the meeting.

22. The minutes shall be approved by all members by giving notice to that effect to the other members and Chair with a copy to the ECE secretariat. The final meeting minutes will be made available to the public through the ECE website, following review with the Bureau.

23. There will also be an annual report on the Technical Advisory Group, produced by the Secretariat in consultation with the Chair and members. The report will review the operation and functioning of the Group and, where appropriate, make recommendations for improvements.

## **G. Resources and Budget**

24. The Technical Advisory Group will be serviced by the ECE secretariat.

25. Members of the Group are not paid or funded in any way by the ECE. A member's time and travel expenses, as may be required to provide the proper guidance, may be covered personally, by that member's employer or through arrangements made by the ECE through any other available source of funding.

## **H. Authority**

26. The Technical Advisory Group will have no direct decision making authority that is binding on the Expert Group on Resource Classification or its Stakeholders. The conclusions of the Technical Advisory Group will be presented as interpretations and guidance in the application of UNFC-2009. For the purpose of providing advice and/or arriving at a recommendation, a majority of the Technical Advisory Group members, as appropriate, shall constitute a quorum. The Group shall make every effort to provide advice and/or arrive at recommendations by consensus. When consensus is not possible, the meeting minutes will reflect the diversity of opinions, and the results will be reported to the Bureau for further consideration.

## **I. Membership**

27. Membership of the original Technical Advisory Group will be determined by the Bureau in consultation with the Expert Group on Resource Classification. Full membership should include representatives of the Expert Group from technical disciplines, governments, industry, the financial sector, and regulatory bodies. The commodity or other sectors to which UNFC-2009 applies, including solid minerals and oil and gas, will also be represented. Worldwide representation should be included in the Technical Advisory Group appointments.

28. In addition to these membership guidelines, there are several key Stakeholder organizations representing the minerals industry (Committee for Mineral Reserves International Reporting Standards (CRIRSCO)), oil and gas sectors (Society of Petroleum Engineers (SPE)) and nuclear fuels sector (International Atomic Energy Agency (IAEA)) that should be represented in the Technical Advisory Group with full membership. These key representatives will advise the Technical Advisory Group on the operating procedures, updates and harmonization required with industry guidelines issued by any of these groups.

29. The Technical Advisory Group members should serve for a period of two years. Members can be re-elected to serve additional terms. The members are expected to commit the time and identify funding sources necessary to allow an adequate discharge of their duties.

30. The Chair of the Technical Advisory Group will be selected by the Bureau of the Expert Group on Resource Classification for a period of two years from a list of Technical Advisory Group members recommended by any member of the Bureau or then-existing members of the Technical Advisory Group. The full body of the Expert Group on Resource

Classification may be consulted by the Bureau for additional recommendations as deemed appropriate by the Bureau. The Chair may be re-elected to the Technical Advisory Group to serve additional terms.

31. Should a member of the Technical Advisory Group step down during the course of his/her appointment, the Bureau shall have the responsibility to fill the vacated position.

32. The Technical Advisory Group should include a total six to eight members representing the different stakeholders of the Expert Group on Resource Classification, including:

- (a) One member from CRIRSCO;
- (b) One member from SPE;
- (c) One member from the IAEA (nuclear fuel resources);
- (d) Members from industry/the private sector;
- (e) Members from the government sector;
- (f) One member from the financial sector.

33. Where appropriate, the Technical Advisory Group may call upon other Expert Group members for assistance and advice.

***Other attendees that are always invited to participate***

34. The Chair of the Bureau of the Expert Group on Resource Classification (or his/her nominated alternate in the event he/she is unable to participate).

## **J. Deliverables**

### **(a) Meeting Report/Letter of Correspondence**

35. Upon request by the Bureau, the Technical Advisory Group, or duly appointed subsets of the Technical Advisory Group, will either meet with a Stakeholder or review materials provided remotely to advise on the interpretation and application of those aspects of the UNFC-2009 on which the Stakeholder is seeking clarification. When meeting with a Stakeholder, the Technical Advisory Group will produce a Meeting Report in the form of meeting minutes, where possible within ten days upon conclusion of such meeting, that reflects its recommendations regarding interpretation and application of UNFC-2009. The Meeting Report should be prepared and submitted to the Bureau following Stakeholder review, so as to ensure an accurate reflection of the Technical Advisory Group interaction. Advice may pertain, but not necessarily be limited, to activities such as mapping exercises, case study preparations, or the testing of bridging documents.

### **(b) Annual Report**

36. The Technical Advisory Group will prepare an Annual Report for the Bureau. Upon conclusion of Bureau review, the report will be submitted to the Expert Group on Resource Classification, in order to keep the Bureau and the Expert Group informed of Technical Advisory Group activity on all of its activities. This report will be prepared and presented at the annual meeting of the Expert Group on Resource Classification.

37. It is recognized that informal communication between Stakeholders and the Technical Advisory Group or individual members thereof will likely be commonplace, including but not limited to email, telephone discussions, or direct conversation. It is understood that such communications will not be subject to formal reporting. Nonetheless, it is incumbent on Technical Advisory Group members to keep the full Group apprised of

the outcomes of such discussions. Summaries of any such discussions may be included in formal reports to the Bureau and the Expert Group on Resource Classification, as may be determined appropriate by the Technical Advisory Group.

38. All written communications (informal or otherwise) including e-mails, but not limited to e-mails, should be copied to all members of the Technical Advisory Group, the ECE secretariat and the Chair of the Bureau.

## **K. Review Cycle**

39. The Terms of Reference should be reviewed on a regular basis to ensure they remain appropriate to fulfill the mandate and mission of the Technical Advisory Group. Following the initial foundation of the Technical Advisory Group, the Terms of Reference should be proactively reviewed by the Technical Advisory Group to ensure they are understood, and applicability confirmed. The Terms of Reference should thereafter be reviewed annually, in conjunction with the development of the annual Technical Advisory Group report for the Expert Group on Resource Classification annual meeting for any given year. Any suggested revisions should be reviewed with the Bureau by the Chair of the Technical Advisory Group in sufficient time to allow discussion of potential revisions at the next scheduled Expert Group on Resource Classification meeting.

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