Technical Advisory Group Annual Report 2018

Prepared by Mr. Alistair Jones, Chair, Technical Advisory Group

1. As indicated in the Terms of Reference, an annual report will be issued by the Technical Advisory Group (TAG) and produced by the Secretariat in consultation with the Chair and members. This is the annual report for the period April 2017 to April 2018.

2. Since the eighth session of the Expert Group on Resource Classification, the TAG held 9 teleconference calls and will meet “face-to-face” in Geneva on 24 April 2018. Meetings were supplemented by extensive email-based discussion.

3. The Bureau structure, TAG responsibilities and membership have changed during the last year. This is described in paragraphs 6 to 21.

4. Considerable progress has been made in the development of UNFC and this is summarised in paragraphs 22-37.

5. The challenges of maintaining consistency, clarifying the EGRC vision and furthering adoption and application are outlined in paragraphs 38-42.

Organisation and Membership

6. Mr. John Etherington, Chair of the TAG, advised that he would stand down from the Group at the end of the eighth session for health reasons. The Expert Group expressed its sincere appreciation to Mr. Etherington for his hard work and dedication in his exemplary role as the Chair of the Group.

7. The Bureau approved the appointment of Mr Alistair Jones as Chair of the TAG from June 2017.

8. The TAG has been in place since Feb 2014, providing technical advice to stakeholders and recommendations on draft technical documents to the Bureau. In addition to its review role, the TAG undertook work on developing bridging documents, case studies and responses to stakeholder request, for Minerals and Petroleum. Work on other commodities, other than document review, was conducted by sectoral Working Groups.

9. At the eighth session the Expert Group recommended the establishment of a Minerals and Petroleum Working Groups. These were established in 2017 with Mr Michael Neumann Chair or the Minerals Working Group and Mr Satinder Purewal Chair of the Petroleum Working Group.

10. The Bureau subsequently decided to establish a Commercial Working Group. Mr Sigurd Heiberg was appointed Chair in April 2018 and the Working Group is currently being formed.
11. In August 2017 the Bureau decided to reorganise the structure of Working Groups, Task Forces and the TAG to work more efficiently. Under this revised structure the sectoral Working Groups report through the TAG i.e. keep TAG informed of plans, activities, progress and concerns. TAG, Task Forces and non-sectoral Working Groups report to the Bureau. The core membership of the TAG is now the Chairs of the commodity Working Groups, and the TAG coordinates, supports, ensures reviews and validates the work of each commodity Working Group. The new structure came into effect in October 2017.

12. The members of the TAG, until October 2017 were: Mr. Andrew Barrett (Geoscience Australia), Ms. Vera Bratkova (State Commission on Mineral Reserves of the Russian Federation), Mr. Jan Bygdevoll (Norwegian Petroleum Directorate), Mr. Roger Dixon (CRIRSCO), Mr. Steve Griffiths (ERC Equipoise), Mr. Alistair Jones (BP), Mr. Dominique Salacz (Evolution Resources), Mr. Alexander Shpilman (Research and Analytical Centre for the Rational Use of the Subsoil, Russian Federation) and Mr. Brad Van Gosen (United States), with the Chair and Secretary of the Expert Group as observers.

13. The outgoing members of the TAG are recognised for their strong and continuing contribution to EGRC. Under the new structure they continue to play a central role in document development and reviews as members of Working Groups.

14. Following the reorganisation, the current members of the TAG are: Mr Alistair Jones (Chair of TAG), Mr Ulrich Kral (Anthropogenic WG Chair), Mr Sigurd Heiberg (Commercial WG Chair), Ms Karin Ask (Injection WG Chair), Mr Michael Neumann (Minerals WG Chair), Ms Adrienne Hanly (Nuclear Fuel WG Chair), Mr Satinder Purewal (Petroleum WG Chair), Mr Frank Denelle (Renewables WG Chair), with the Chair and Secretary of the Expert Group as observers.

Terms of Reference
15. Revised Terms of Reference were proposed by the TAG and approved by the Bureau in December 2017.

16. The responsibilities of the TAG are:

• Ensure appropriate and timely review of draft EGRC documents. All documents developed by the commodity Working Groups and proposed for public comment or for UNECE approval will be reviewed. Other commodity Working Group documents may be reviewed at the discretion of the TAG e.g. working papers to be shared with EGRC. The Bureau may also ask the TAG to review other draft EGRC documents e.g. developed by the Task Forces. The review process is described below.

• Review Working Group goals, objectives and plans and recommend to the Bureau.

• Receive incoming requests for assistance or advice and agree which Working Group will handle these and appropriate timing and review of responses.

• Maintain awareness of progress on Working Group projects and of any emerging issues or opportunities, to assist in timely execution and to keep the Bureau informed. The TAG will provide a forum for discussion amongst Working Group Chairs to identify solutions, to flag issues and to make suggestions to the Bureau or to specific Task Forces.

• Facilitate appropriate support across Working Groups e.g. identifying where an expert in another group could provide helpful advice.

17. The scope of each sectoral Working Group encompasses the following, where appropriate. This list is generic. The work priorities may be different for different Working Groups and some items may not be applicable to every Working Group.

• Develop and maintain commodity specific specifications, guidelines and best practice documents

• Provide advice on interpreting, applying and/or mapping to UNFC
• Assist in stakeholder engagement for the application of UNFC
• Assist stakeholders to develop and maintain bridging documents
• Work with stakeholders to develop case studies to illustrate and test commodity specifications, bridging documents, guidelines and best practices.
• Assist with reviews of documents, as agreed with TAG, and provide expert advice to other EGRC Working Groups and Task Forces.
• Review and evaluate progress and delivery against workplan on an annual basis, identify issues and opportunities, define solutions and implement related actions.

Document Review Process
18. The revised Terms of reference defines the process for document reviews. The TAG will appoint a review team, and team lead, for each document to be reviewed. This team and team lead will be drawn from the Working Groups and TAG and, at the discretion of the TAG, may include other EGRC experts. The makeup of the team will depend on the document being reviewed. For documents which are proposing changes or extensions to the UNFC, such as new specifications, the review team will involve experts from different commodities to help ensure consistency. The TAG may decide that other documents, such as case studies, may only require review by the relevant commodity Working Group.
19. In consultation with the Secretariat of United Nations Economic Commission for Europe (ECE), and with the review team lead, the TAG will agree review timing to meet ECE deadlines.
20. The review team lead will coordinate the work of the team and will act as point of contact for the review, liaising with the document lead (the lead of the group developing the document) and keeping the TAG chair informed of progress and of technical issues. Where appropriate, the review team lead and review team may provide advice on interim versions or on specific issues arising during the work. The review team will review the final draft and provide a written assessment of the document and recommendation. The review group will make every effort to make decisions or recommendations by consensus. When consensus is not possible, the majority view will be accepted, but the written review will reflect the diversity of opinions.
21. The review team lead will send the written recommendation to the TAG chair, together with a summary of the key discussion points and any outstanding issues or concerns. The TAG chair will decide whether to discuss the review further with the TAG. The TAG chair will then send the review to the Bureau, copying the review lead, TAG members, and document lead, and identifying any residual concerns or issues.

Development and Application of UNFC
22. Progress in development and application of UNFC has been made since the eighth session of the Expert Group. Advances have been made in Bridging Documents, Specifications, Case Studies and Best Practice. Advice and comments have been provided to external groups as requested. Proposal have been made for further development and these will be presented and discussed at the ninth session.

Bridging Documents
23. Prior to the eighth session of the Expert Group significant progress had been made on bridging documents for the Chinese Minerals and Petroleum classifications CCMR-1999 and CCPR-2004. Since the eighth session the Minerals and Petroleum teams from China and the TAG reviewers continued to work together. The draft bridging documents for the China Minerals and Petroleum classifications were finalised and approved by the MLR (Ministry of Land and Resources of the People’s Republic of China). TAG recommended that both documents be issued for public comment. TAG had suggested some minor edits to the Petroleum document, for clarity and consistency through the text, but agreed that these could be addressed after the public comment period. Public comment for both documents opened on 15th Feb 2018 and closed on 15th April 2018.
Specifications

24. Draft Bioenergy Specifications were presented at the eighth session and the Expert Group requested that these be issued for public comment. The public comment period opened on 23rd May 2017 and closed on 23rd June 2017. The Bioenergy Sub Group formulated responses to all the comments received, and updated the Specifications. The TAG reviewed the responses and the updates and recommended that the updated Specifications are accepted. The Bioenergy Specifications were approved by the Committee on Sustainable Energy on 28th Sep 2017.

25. At the eighth session the Expert Group requested the Anthropogenic Resources Working Group to prepare draft specifications for the application of UNFC to anthropogenic resources for review at the ninth session. The draft specifications were finalised in 2017 and the TAG reviewed these and recommended issuing for public comment. The public comment period opened on 14th Aug 2017 and closed on 12th Oct 2017. The Anthropogenic Working Group formulated responses to all the comments received and updated the Specifications. These were reviewed by the TAG which recommended that the draft Specifications are accepted by the Expert Group and are proposed for approval to the Committee on Sustainable Energy.

26. Initial work on preparing Solar Specifications was presented at the eighth session the Expert Group. Since that session, the Solar Sub Group has developed a first draft of the Specifications and these were reviewed by TAG. The reviewers commended the significant progress and comprehensiveness of the document. They made several suggestions, including further integration with UNFC. They recommended that, although this is not yet ready for public comment, it be issued for discussion, testing and revision.

27. A Wind Sub Group has been established and is working to develop Specifications.

28. A Marine Energy Sub Group has been initiated with a view to developing Marine Energy Specifications.

Case Studies and Best Practice

29. At the time of the eighth session, 14 Geothermal case studies had been developed by the Geothermal Sub Group. 12 were updates and 2 additional studies had been added. These were published in Dec 2017 as UNECE Energy Series: 51 (ECE/ENERGY/110) on "Application of the United Nations Framework Classification for Resources (UNFC) to Geothermal Energy Resources: Selected Case Studies".

30. As a follow-up to the RF2013 to UNFC bridging document, 2 case studies have been developed that apply UNFC-2009 to oil and gas fields that were originally reported using RF2013. These were initiated prior to the eighth session and have be completed by the Petroleum Working Group.

31. A best practice document for Uranium and Thorium is being developed by the Nuclear Fuels Working Group.

32. An injection case study is being developed by the Injection Working Group.

Comments and Advice

33. EGRC was asked by SPE to comment on a draft update of PRMS. The update was reviewed by the TAG and feedback provided to the SPE Oil and Gas Reserves Committee. Note that this request was handled before the TAG reorganisation. Hence the petroleum expert members of TAG provided the feedback.
34. The Expert Group received a request for guidance on petroleum classification. TAG provided advice on evidence required to meet E1 F1 categories. Note that this request was handled before the TAG reorganisation. Hence the petroleum expert members of TAG provided the advice.

35. In response to a request from the Nordic Project, TAG commented on an update of “Guidance on the Application of UNFC for Mineral Resources in Finland, Norway and Sweden”. TAG commented that the document is well written, and is expected to be a good guidance for applying UNFC to mineral resources in Finland, Norway and Sweden. Certain discussions go beyond the guidance provided in the UNFC, which is acceptable provided that such guidance is not misaligned with the higher definitions and generic specifications of the UNFC. The proposed expansion of category E2 is a local modification of UNFC. In UNFC, E2 currently has no sub-categories defined but this is under study by the E-axis working group. The project was encouraged to prepare case studies to further strengthen the document.

Proposals

36. The Minerals Working Group have written a “Proposal on developing specifications and guidelines for classification and subsequent management of mineral inventory”. This was reviewed by TAG, which recommended that the Expert Group discuss principles and goals at the ninth session, and this specific Minerals Working Group proposal, to decide whether to endorse the scope and approach.

37. The Petroleum Working Group have written a proposal for a “Pilot project for application UNFC for integrated resource management for national oil companies and government regulators”. This was reviewed by TAG, which recommended that the proposal should be presented at the ninth session as part of a discussion of vision and goals for UNFC, to decide whether or how this work should go ahead.

Challenges

38. Working Group discussions and documents, and TAG reviews, have indicated areas of challenge for ongoing development and application of UNFC: maintaining alignment and consistency, clarification of vision and agreement on practical steps to adopt and apply.

Alignment and Consistency

39. In bridging from existing classifications, it is important to ensure consistent alignment with the UNFC categories and classes. This can be challenging because of differences between systems in terminology and sometimes in approach. Case studies can be helpful in testing the bridging.

40. In developing new specifications and guidelines, it is important to ensure that the definitions or categories and classes and principles used are consistent. Consistent terminology is also important to help clear communication.

Vision and Practical Steps to Adopt and Apply

41. Different stakeholders have somewhat different emphases to meet the needs in their areas of work. A key goal for those working with existing categorization systems is bridging, so that UNFC provides a means of consistent understanding of resources classified by different systems. Those developing new specifications and guidelines want to enable stakeholders to use them effectively to support resource management, investment and reporting.

42. The Expert Group has a remit to serve its stakeholders and to support Sustainable Development. What developments or consolidation of UNFC are required to achieve this? Should the Expert Group develop additional tools? How can the Expert Group facilitate adoption and application? The Expert Group should clarify its vision and agree practical steps to move forward effectively.
Review of the effectiveness of the Technical Advisory Group
43. At the April 2018 meeting of the TAG, members reviewed the effectiveness of the group in meeting the responsibilities set out in the agreed Terms of Reference.

44. The frequency of meetings and the way the group is run is considered appropriate. It would be helpful to have two face-to-face meetings per year. However, lack of funding and restricted availability means that at present only one face-to-face is practical, to be held in the same week as the EGRC annual meeting.

45. The document review process and the handling of external requests for advice or assistance are working effectively.

46. Status updates on the work of each Working Group have been useful. The TAG could usefully provide more review of Working Group goals, objectives and plans. It could also develop its role as a forum for discussion amongst Working Group Chairs to identify solutions, to flag issues and to make suggestions to the Bureau. The intent is to address these in the coming year.