

# **Update on Expert Group on Resource Classification and UNFC-2009**

## **A Global Resource Standard - the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009)**

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# UNFC and Expert Group on Resource Classification

- ▶ **Name change to Expert Group on Resource Classification (EGRC), 5-year mandate and UNFC-2009 approved by Committee at 18th session**
- ▶ **UNFC available on ECE website in E, F and R**
- ▶ **UN publication “ECE Energy Series No. 39” in all UN languages**
- ▶ **1st session EGRC, Geneva, 28-30 April 2010 – ECE countries plus Australia, China, Colombia, Japan, Korea, Mongolia, Mozambique**
- ▶ **Bureau elected: Chair + 13 Vice Chairs (Ernst & Young, Statoil, IEA, CRIRSCO, Alberta Securities Commission, Turkish Coal, US Geological Survey, Norwegian Petroleum Directorate, Geoscience Australia, BP, Ross Petroleum, State Commission on Mineral Reserves (Russian Federation), SPE Oil & Gas Reserves Committee, SPEE)**
- ▶ **Unprecedented level of co-operation facilitated by UNECE, providing for convergence of the key minerals (CRIRSCO Template) and petroleum (SPE PRMS) systems under a UNFC-2009 umbrella**

# EGRC Programme of Work 2010-2011

- ▶ Developed at 1st EGRC Session, April 2010
- ▶ Priority: develop specifications in collaboration with CRIRSCO (minerals) & SPE (petroleum) – Specifications Task Force
- ▶ Map other classification systems to UNFC-2009
- ▶ Test UNFC – Technical Advisory Group to be established, pursue options for extrabudgetary funding
- ▶ Support IASB Extractive Activities Research Project – potential IFRS for extractive activities
- ▶ Education and outreach - Communications Sub-Committee
- ▶ Workshops and regional events
- ▶ Use of UNFC to classify injection projects – Task Force on UNFC and Recipient Reservoirs

# Specifications for UNFC-2009

- ▶ UNFC-2009 needs high-level generic specifications
- ▶ Specifications - secondary rules providing more detail on how UNFC system is to be applied.
- ▶ A key goal of UNFC-2009 is to provide a tool to facilitate global communications - comparability of estimates is a fundamental requirement. Quantities classified under the same UNFC-2009 code must be broadly comparable
- ▶ CRIRSCO (minerals) and SPE (petroleum) responsible for commodity-specific specifications for UNFC
- ▶ Specifications Task Force (phase 1: January-April 2010)  
**Mandate:** To contact a representative range of stakeholders in each of the four key areas of application of UNFC-2009 and request their views on what specifications, if any, they considered to be necessary in order that UNFC-2009 would adequately serve their needs.  
**Areas of Application:** International Energy & Minerals Studies, Government Resources Management, Industry Business Processes and Financial Reporting

## Specifications for UNFC-2009 *continued*

- ▶ Unique piece of research: written responses from 46 organizations, consolidated into 51 specification issues. Summarized in report “Stakeholder Requirements for Specifications for UNFC-2009” (Committee document: [ECE/ENERGY/2010/8](#))
- ▶ Specifications Task Force (phase 2: June 2010 to current) identifying which specification issues can and should be addressed by CRIRSCO and SPE and which justify a generic UNFC specification
- ▶ Draft generic specifications for review by EGRC at April 2011 session
- ▶ Revised draft text to be issued for public comment (as with UNFC-2009) in May/June 2011
- ▶ Final text of “Specifications for UNFC-2009” ready for approval by Committee at 20th Session, November 2011
- ▶ Need Committee **recommendation** that generic UNFC specifications be published in all UN languages – integral part of UNFC package

## Education and Outreach

- ▶ **UNFC Capacity Building Workshops:**
  - **Almaty, December 2009:** *focus on Central Asia, Afghanistan & Mongolia*
  - **Warsaw, June 2010** *in cooperation with Polish Ministry of Environment and Polish Geological Survey (participation by Angola and Zambia)*
  - **London, February 2011** *in cooperation with AAPG*
  - **Ankara, March 2011** *in cooperation with Turkish Ministry of Energy and Natural Resources*
- ▶ **UNFC presentations delivered worldwide**
- ▶ **UNFC now seen as a system offering benefits – experts requesting to join the work/EGRC**
- ▶ **Regional events requested in Africa, Asia and Latin America**
- ▶ **London Workshop potential for replication globally**

# Conclusions

- ▶ **UNFC-2009 facilitates global communications**
- ▶ **Allows comparability and consistency**
- ▶ **Harmonization of energy reserves and resources terminology aids more reliable estimate of global energy reserves**
- ▶ **Increasing overlap between industry sectors necessitates common system e.g. mining of bitumen, fluid uranium**
- ▶ **Significant benefits and efficiencies if same system used by governments, industry and financial analysts**
- ▶ **Expert Group on Resource Classification – a growing, committed and voluntary body of experts**
- ▶ **Approval of Programme of Work 2010-2011**
- ▶ **Specifications for UNFC-2009 are key**

## More Information

- ▶ Visit the UNECE website at:  
<http://www.unece.org/energy/se/reserves.html>
- ▶ Next session of Expert Group: **Geneva, 6-8 April 2011**
- ▶ Contact Charlotte Griffiths:  
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