

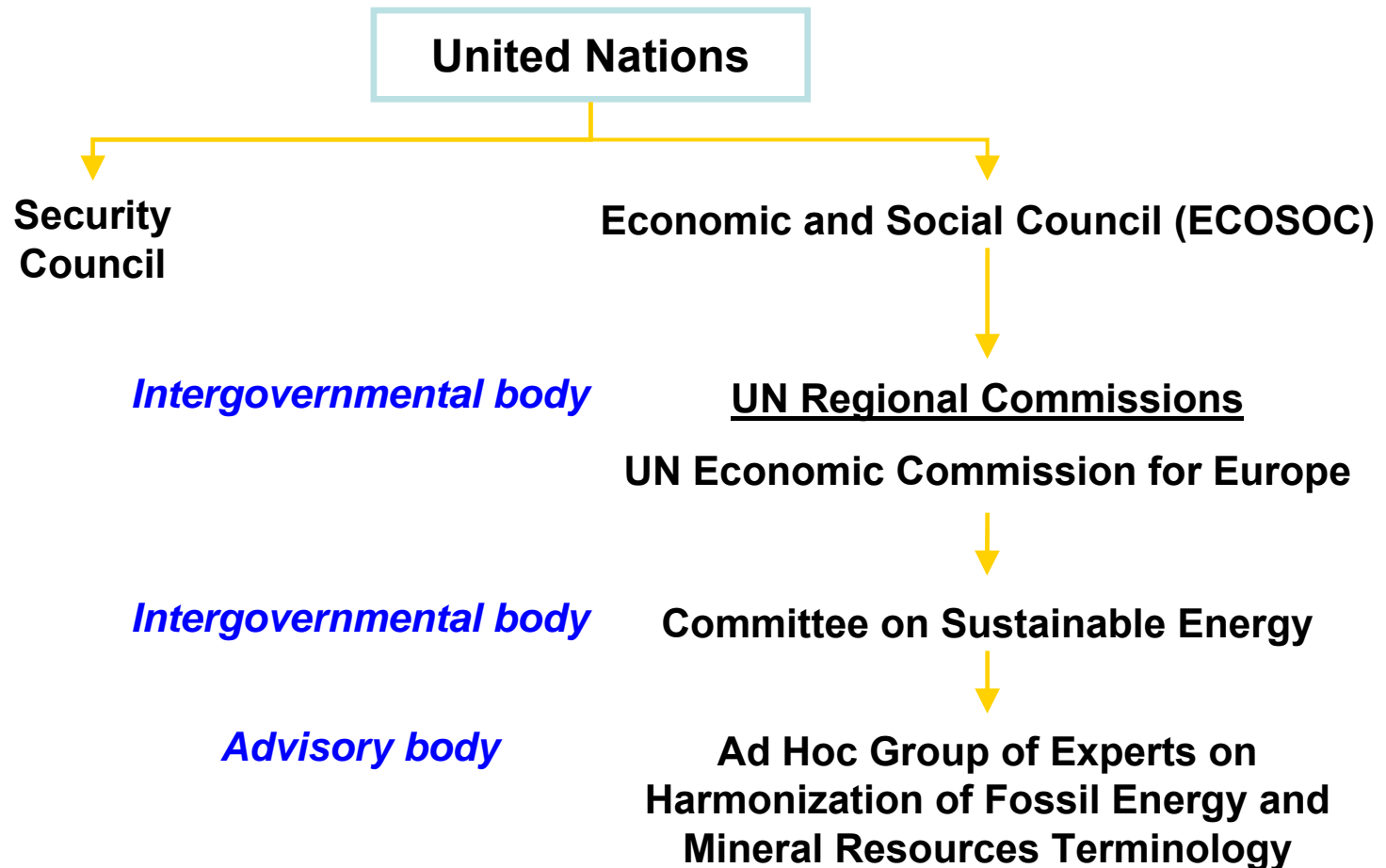
Overview of UNECE, ECOSOC, UNFC and Ad Hoc Group of Experts

Charlotte Griffiths
UNECE

UN Economic Commission for Europe

- **Economic and Social Council, 54 UN members**
- **Five UN Regional Commissions**
- **UNECE: Europe, CIS, North America, Turkey & Israel**
- **Based in Geneva, 56 Governments**
- **Mission to foster sustained economic growth and cooperation among member countries**
- **Assist countries with transition and developing economies**
- **Nine key programmes: economic cooperation & integration, environmental policy, housing & land management, statistics, sustainable energy, technical cooperation, timber, trade and transport**

Where do we fit in the UN System?



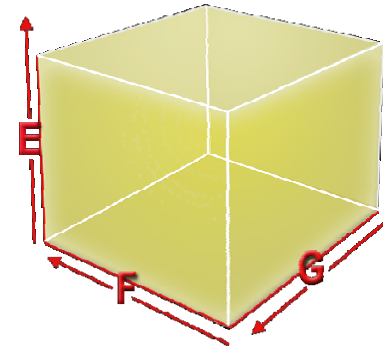
Why a UN Framework Classification?

- **Establishing a complete picture of the current and future energy supply base is necessary for effective resources management**
- **Many different classification systems and standards in place around the world**
- **Designed to meet local needs not those of a globalized economy**
- **Common international understanding needed**
- **Petroleum and minerals inherently different but closer alignment possible**
- **Wide array of terminology and definitions ... need for harmonization**
- **UN provides international legitimacy and a platform where all stakeholders can meet in a neutral setting**

What is the UNFC?

- **3-D system to classify and report reserves/resources using 3 principal metrics:**
 - **economic viability (E)**
 - **technical feasibility/project maturity (F)**
 - **knowledge of the geological endowment (G).**

- **Simple, universally applicable scheme for classifying and evaluating energy and mineral reserves and resources**
- **Uses numerical codification system**
- **Allows a common international understanding within and across commodity classes**
- **Managed within the UN System by the UN Economic Commission for Europe**
- **Adopted, adapted or tested in over 60 countries**



The UNFC, who for?

- **Flexible system for application at global, national, industrial, institutional or financial level**
- **Common understanding will lead to greater efficiencies in...**
 - ✓ **International energy and mineral studies**
 - ✓ **Government management of resource endowments**
 - ✓ **Management of corporate assets and associated business processes**
 - ✓ **Financial reporting standards**

UNFC, how did we get here?

- **1992** **Initiated first version**
- **1997** **First version published**
- **2001** **Ad Hoc Group of Experts formed**
- **2004** **Extended**
 - ▶ **Oil, Natural Gas & Uranium**
 - ▶ **ECOSOC Resolution 2004/233**

UNFC, how did we get here?

- **2005** **Collaboration with SPE *for petroleum*/CRIRSCO
*for minerals***
- **2007** **Mapping Task Force/IASB**
- **2008** **Agreement to assess UNFC 2004 for revision**
- **2008** **New version released for comment**
- **2009** **AHGE 6th Session, March 2009**
AHGE 7th Session, October 2009
Committee on Sustainable Energy
November 2009

History of UNFC

Early Focus on Solid Fuels & Minerals

Petroleum & Other Minerals

Global System

1992

German Government proposes 3-D classification to UNECE to meet need for internationally acceptable reserve/resource classification system capable of integrating transitioning economies from Eastern Europe and FSU

1997

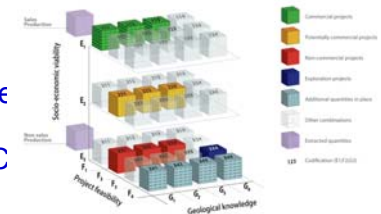
UN ECOSOC invites global application of the UNFC for Solid Fuels & Mineral Commodities through ECOSOC Resolution 1997/226

2001

UNECE creates Group of Experts to extend the UNFC to petroleum and other mineral resources (e.g. uranium)

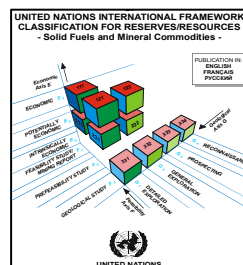
2004

UN ECOSOC recommends appropriate measure taken for global application of UNFC for petroleum & minerals "UNFC 2004" in Resolution 2004/233



1996

UNECE Working Party on Coal adopts UNFC for Solid Fuels & Mineral Commodities



1999

UNECE Task Force & Council for Mining & Metallurgy Institutions (now CRIRSCO) integrate existing definitions for minerals into a single, universally applicable set of definitions

2003

UNECE Committee on Sustainable Energy adopts UNFC for petroleum & minerals

2004 - Present

UNECE Ad Hoc Group of Experts developing UNFC as global common code

UNECE Ad Hoc Group of Experts

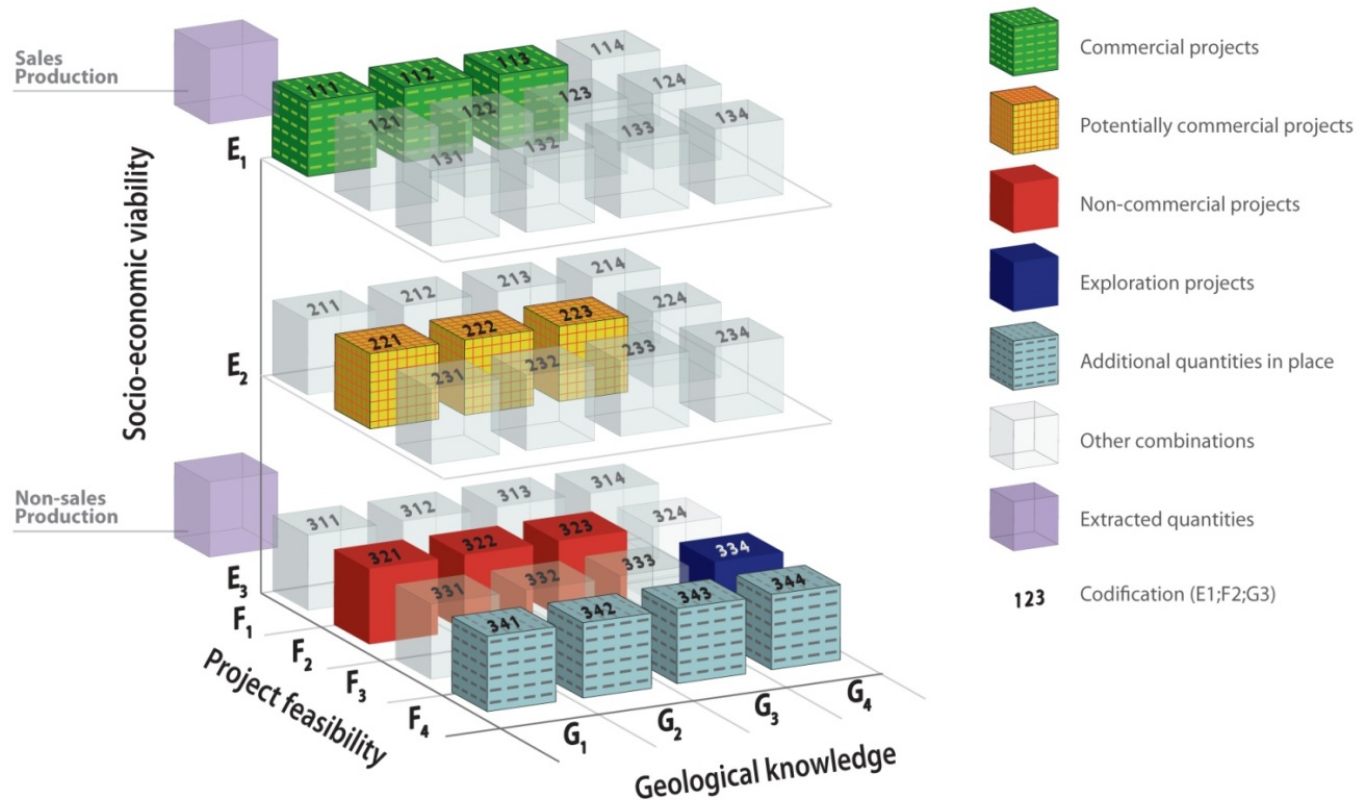
- **Created in 2004 by UNECE to deliver on ECOSOC Resolution**
- **Transparent and voluntary process**
- **Wide range of stakeholders**
 - **Governments, NGOs and business/private sector**
 - **International organizations**
 - **Professional associations**
 - **Experts involved with development of the current SPE Petroleum Resource Management System and CRIRSCO Template also involved in development of UNFC**
 - **Coordinate with IASB's Extractive Industries Research Project**

UNFC-2009 and Committee on Sustainable Energy, November 2009

- **ECOSOC Resolution 2004/233**
 - **UNFC-2009 simplified, generic and user-friendly**
- **Recommend UNFC-2009 be adopted now**
 - **Testing and roll-out of UNFC-2009 needed, proposed feedback period every two years**
- **Recommend to drop 'ad hoc' and change name to Expert Group on Resource Classification**
- **Current two year mandate expires end/2009. Agreed five year mandate to 2014**
- **Agreed slightly revised Terms of Reference for Expert Group on Resource Classification**
- **Now awaiting endorsement by UN Executive Committee (meeting on 17 December 2009)**

UNFC-2009

UNFC-2009 categories and examples of classes



Group of Experts Programme of Work 2009-2010

- **Identify needs of stakeholders for specifications under UNFC**
- **Develop specifications and guidelines in collaboration with SPE *for petroleum* and CRIRSCO *for minerals***
- **Facilitate mapping of other classification systems to UNFC-2009**
- **Testing of UNFC-2009 by Expert Group**
- **Support IASB Extractive Activities Research Project**
- **Explore how UNFC could be used in classifying injection projects**
- **Education and outreach: conferences**
- **UNFC Workshops: Almaty, December 2009 and Warsaw, June 2010**

Conclusions

- **UNFC is a long-term activity, with significant and varied global stakeholder support**
- **Umbrella System:**
 - **Internationally applicable**
 - **Internationally acceptable**
- **Harmonization – terminology and definitions**
- **Uses numerical codification system**
- **Applies to fossil energy and mineral reserves and resources**
- **Going forward specifications (rules), guidelines (best practice) and testing will be critical**

Future...

- **Next meeting of Group of Experts, Palais des Nations, Geneva, 28-30 April 2010 - if approved by UN Executive Committee will be:**

First Session of Expert Group on Resource Classification

- **All stakeholders/experts welcome**
- **Inclusive long-term process**

<http://unece.org/energy/se/reserves.html>