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Opening Remarks

by

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United Nations
Economic Commission for Europe**

at

**Expert Group of Expert on Resource Classification
Sixth Session, Salle VII**

**Geneva, Switzerland
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Distinguished Guests, Ladies and Gentlemen,

Good morning.

I would like to welcome you all to Geneva, to this gathering of the Expert Group on Resource Classification. We are extremely pleased once again to see this group gather in such numbers and with such enthusiasm! The work you have been doing, and are continuing to do, on the United Nations Framework Classification represents one of the key flagship activities of UNECE. I know that you all recognize its importance.

The classification systems that exist for oil and gas and for mineral resources have been and remain essential tools for their reporting and management. The careful and comprehensive development of needed documents to bridge to the UNFC allows projects to be recorded, reported, and analyzed on a comparable basis. You now also have documents that bridge to uranium and thorium extraction projects. Comparable work is underway for renewable energy projects, starting with geothermal, and for underground storage projects. In the end, we will have a classification system that will bring minerals and **all** primary energy resources under one framework that will enable countries to manage and develop their natural endowments.

Countries around the world that do not have their own capabilities for resource tracking and management are paying close attention to the UNFC and in many cases are considering mandating its use. Countries with significant primary energy resources such as the Russian Federation and China are also looking to its application as a way to manage their natural endowments more efficiently.

But, I have said nothing that you do not already know.

Most of all, I welcome you here as key stakeholders in an industry that is critical for our future. Ensuring reliable and environmentally responsible supplies of energy at prices that reflect market conditions is a challenge. We must reduce greenhouse gas emissions to avert a climate disaster. We must do this while maintaining the uninterrupted supply of raw materials and energy services to support our economies and the peace-promoting effects of their integration. International organizations – UNECE in particular – Governments and industry share a heavy responsibility for providing the “industrial ecosystem” to allow this to happen.

Strong, reliable and lasting international standards, such as the UNFC are required. So are suitable legal, regulatory and contractual framework conditions. This is necessary for releasing the capabilities of our societies and for allowing Governments and the private sector to make the investments for the complex change process to unfold.

The entire process of debating, developing, and disseminating the UNFC through this sort of public-private engagement has led to an efficient outcome, and we consider this group to be a model for how UN processes must function in the future.

Our region, and those of the experts here today from other regions, is very diverse, comprising high and low income countries, countries that are rich and poor in raw materials and energy resources, and countries that are in the midst of economic transition. All of these features contribute to a growing international dialogue on developing efficient pathways to a system that can support sustainable development.

The transition to a sustainable energy system requires energy efficiency from source to use, minimization of environmental impacts, reduction of energy and carbon intensities, and correction of energy market failures. Full integration of the energy markets of the UNECE region under an efficient framework would significantly improve the essential technical, social, economic, and environmental

contribution that energy must make. The work you are doing on elaborating guidance on environmental and social issues for the economic and social axis (the E-axis) of the UNFC ties in directly to this dimension.

Improving efficiency relates not only to consumer-level efficiency issues, but also to upstream and mid-stream energy efficiency. There is an opportunity to change from selling commodities to providing services. Growth in distributed energy generation, shaping energy use through IT, separating time of production from time of consumption through energy storage, and improving high voltage network management are all indicators of an energy revolution that is underway. Central to this agenda is a sustainable, and reliable electricity system. The development of smart energy networks with common rules of operation is an important opportunity to enhance the collaboration among technologies, thereby enhancing the cost-effective penetration of lower-carbon technologies and improving the resilience of the energy system. The work we are doing here is also at the root of the coming transformation.

Over the long term, UNECE is working in three critical areas in energy: reconciling the reality of fossil fuels' enduring share of the energy mix with the need to address climate change, enhancing integration of the region's energy markets, and facilitating the transition to a sustainable energy system. Integrating this work with similar work required in the minerals sector strengthens both processes.

I wish you the best success in this meeting over the next three days and look forward to hearing its outcomes.

Thank you for your attention.