

## **UNFC-2009 Revision Working Group**

### **Terms of Reference**

#### **Background**

1. The United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC) was originally designed to meet the requirements of classification and management of the complete endowment of all solid minerals and petroleum. Subsequently, UNFC was operationalized when generic specifications and commodity specifications for solid mineral and petroleum were endorsed in 2013.
2. Meanwhile, UNFC applications for other commodities and energy sectors continued to be pursued. Specifications for nuclear fuel resources were added in 2014. More significant changes happened when renewable energy and injection projects specifications were endorsed in 2016. Specifically, these also included rules for geothermal energy. Specifications for solar, wind, bio-energy and hydro-energy are currently under development. Anthropogenic resources, especially recovering valuable material from wastes of all forms is expected to be added to UNFC in the near future. Ground water is also seen as a potential candidate for application of UNFC.
3. As sustainable development of natural resources and energy became the focus of all international and national activities, especially in alignment with the 2030 Agenda for Sustainable Development in 2015 and the carbon emission reduction commitments of the Paris Agreement in 2016, proper understanding and estimation of the social and environmental considerations emerged as a challenge. Based on strong demands from users, additional guidelines for social and environmental considerations are under development. Since UNFC is also used by investors, involvement of Competent Persons may be required under certain reporting or disclosure regulations. Therefore, guidelines for Competent Persons are under development.
4. UNFC continues to be more and more relevant to all geographical regions, and a number of case studies on different commodities and sectors are now available. UNFC has been bridged to the Russian Federation oil and gas system of 2013 and similar work on solid minerals is in progress. A similar exercise is advancing for the national systems of China. Recently, collaboration has started with the African Mineral Development Centre for applying UNFC as the common system for Africa.
5. UNFC has within a short time evolved from a simple classification system to a comprehensive management tool for all energy, mineral resources, carbon capture and storage projects and management of valuable resources that potentially can be extracted from wastes and residues. The system now encompasses diverse forms of non-renewable and renewable energies and primary and secondary materials. To meet the challenges of the future in the global provisioning of energy supply, materials and associated services and to ensure capital investments and its management, UNFC may require significant changes in positioning itself as the comprehensive sustainable management system responding to the needs of diverse stakeholders.

6. The Expert Group on Resource Classification (EGRC) at its seventh session in 2016, taking note of the diversity of UNFC applications, concluded that an update of UNFC should be prepared for release, but not before 2018. The EGRC requested the Bureau to establish a sub-group/task force to take responsibility for preparing a first revised draft and initiating discussions in the eighth session.

7. Further, the UNECE Committee on Sustainable Energy at its twenty-sixth session (September 2016) noted the significant work that has been undertaken to broaden the application of UNFC to encompass renewable energy and requested EGRC to consider changing the name of UNFC to reflect that it is for energy and mineral resources and not just for fossil energy.

## **Objectives**

8. The UNFC Revision Working Group has been constituted to review the comprehensive application of UNFC to all energy and material resources and prepare a revised draft of the UNFC principles, framework and generic specifications. The Working Group will look into the following aspects of UNFC revision:

(a) Review the current and future challenges of energy, materials and associated services management and provide recommendations for future positioning of UNFC as an effective management system that is responsive to the needs of all stakeholders;

(b) Suggest a nomenclature of UNFC consistent with the wider scope of applications of classification and management of all renewable and non-renewable energies and material resources and related services including future potential application to groundwater;

(c) Evaluate the naming of the G axis based on the recommendations of G axis working group and suggest modification if any that are required;

(d) Evaluate the naming of the E and F axes based on the recommendations of the G axis working group, E axis sub-group and Technical Advisory Group and propose modifications if any that are required;

(e) Review all proposals to amend or update UNFC received during public consultations or received directly by the Technical Advisory Group;

(f) Recommend updates to the principles of UNFC so as to make it more generic and applicable to all energy, material and related service management requirements and consider revisions to make it coherent with national statistical standards; and

(g) Evaluate revision of the generic specifications to facilitate expanded use of UNFC in different sectors;

## **Deliverables**

(a) Draft explanatory note on overarching issues to be considered in the next revision of UNFC for discussion at the eighth session of EGRC, April 2017

(b) First draft of the revised UNFC principles and generic specifications for discussions at the ninth session of EGRC, 2018

(c) Revised draft of the revised UNFC principles and generic specification for public consultation, Q2-Q3 2018

(d) Final draft of the revised UNFC principles and generic specifications for discussions at the tenth session of EGRC, 2019

### **Composition**

9. The Working Group will comprise representation from a wide spectrum of stakeholders. The Working Group can consult or co-opt members as required from the various UNFC stakeholder groups, including solid minerals, petroleum, uranium, renewable energy, injection projects and anthropogenic resources.

### **Reporting**

10. The Working Group reports to the Bureau of the EGRC. All draft documents are to be submitted to the Technical Advisory Group and the Bureau for comments and feedback before submission to the EGRC.

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