



United Nations

UNECE Weekly

Economic Commission for Europe

Issue N° 458 — 2 - 6 January 2012

FOREST EUROPE AND UNECE/FAO LAUNCH INTERACTIVE DATABASE ON INDICATORS OF SUSTAINABLE FOREST MANAGEMENT IN EUROPE



A web-based resource tool developed from the joint FOREST EUROPE/ECE/FAO State of Europe's Forests 2011 report was released at the end of December. This tool contains the new unpublished data on forests, forest management and forest industry in the pan-European region. In addition to the English version, for the first time the database is available in Russian.

This new information tool, which builds on a database released for the previous State of Europe's Forests report, provides a comprehensive, up-to-date description of the status and trends of forests and forest management in Europe. Based on 6 pan-European criteria for sustainable forest management, the database offers tremendous

knowledge on 31 quantitative indicators to anyone interested in learning more about Europe's forest-related data and activities.

In addition to characteristics of European forests and forestry data in general, the user also has access to information on the balance of carbon in forest ecosystems, forest health condition, status of forest biodiversity as well as information on wood energy. Aspects of production, including wood and non-wood products and services, are presented along with information on protected forest areas. The database also provides information on social and economic aspects of the forestry sector.

In line with the structure of criteria and indicators for sustainable forest management, the data are presented in a way that illustrates trends of chosen variables for the years 1990, 2000, 2005 and 2010. The interface enables online review and simple analysis. It also allows selective extraction of the requested data in different formats. □

*The database is available at: <http://w3.unece.org/pxweb/>.
For further information, please contact Roman Michalak at: roman.michalak@unece.org.*



NEED FOR UNFC HIGHLIGHTED AT WORLD PETROLEUM CONGRESS

The 20th World Petroleum Congress took place in Doha, Qatar, on 4-8 December 2011. The Congress gathered some 5,000 participants to discuss actions to foster the achievement of sustainable development. The Round Table "Reserves and Resources Classification – Lessons of New Regulations" on 8 December featured many references to the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources (UNFC), developed by the UNECE Expert Group on Resource Classification.

The moderator, Charlotte Griffiths from UNECE's Sustainable Energy Division, noted in her introduction that the UNFC will significantly facilitate the availability of relevant and reliable information on non-renewable energy resources, i.e. oil, natural gas, coal and uranium to all stakeholders: governments, the industry, investors, regulators and the public.

The benefits of the UNFC were highlighted in different ways by the five panellists: Bente Nyland, Director General, Norwegian Petroleum Directorate; Bernard Seiller, Vice President – Reserves, Total SA; Andy Brogan, Partner-in-Charge, Oil & Gas Transaction Advisory Services, Ernst & Young; Douglas Carsted, Vice President Geoscience, Sproule, Canada, and Ivan Sandra, President, Energy Intelligence.

Bente Nyland stressed that project-based classifications, such as the UNFC and the SPE PRMS (Society of Petroleum Engineers Petroleum Resource Management System), provide a strong tool for organizing and collecting the different kinds of information needed by government bodies in their National Strategic Planning Process. He said that new classifications comprising the total resource base (regionally and worldwide) – such as the UNFC – offer better support for National Resource

Management and that an additional benefit of the UNFC is that it incorporates unconventional resources.

The Framework Classification was highlighted as the tool by which the much needed consistency, transparency and comparability of reserves and resource data could be achieved.

Andy Brogan noted that raising finance is becoming harder and a greater variety of funds are needed to develop and meet the increasing need for resources. "The oil and gas industry has been a big user of bank debt to finance its operations (approximately 70% of external financing in 2011), however banks are reducing their balance sheets and therefore lending less. To meet its massive and continuing capital requirements, the industry will therefore need to access more capital directly. However, new capital providers will have less time and manpower to understand reserve positions which underlines why transparent and consistent reserve reporting and classification is becoming more important. He stated "the UNFC as an all encompassing framework is a key to progress – it is an increasingly important framework for driving consistency in reserve classification and linking reserve



and resource based reporting. Investors need transparent and comprehensive information."

The panel observed that as a result of the structural shift to unconventional oil and gas resources, the assets of many companies increasingly lie in categories other than reserves, such as contingent or prospective resources. The evaluation, classification and disclosure of these categories present challenges not encountered for conventional resources and there is a critical need for guidance or specifications. A conclusion of the Round Table was the need for dialogue with the public, particularly in the area of unconventional resources.

Ivan Sandra, who was formerly with the OPEC Secretariat, observed that "Providing better quality information has clear long-term advantages for international companies, national oil companies and large reserve holders. Future projects will cost more, financing will be more complex, and society is demanding more." He added: "Better quality information does not threaten sovereignty either." □

For further information, please visit: www.20wpc.com and <http://unece.org/energy/se/reserves.html> or contact Charlotte Griffiths at: reserves.energy@unece.org.

FACTS AND FIGURES

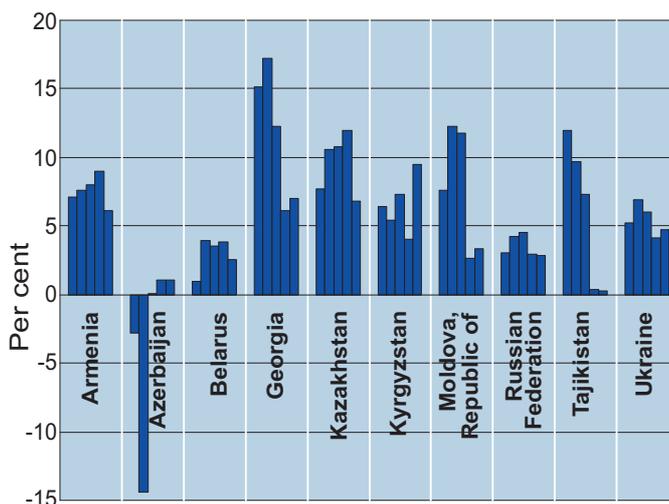
FOREIGN DIRECT INVESTMENTS TO EECCA COUNTRIES DECREASED

Foreign direct investments¹ (FDI) to the countries² of Eastern Europe, Caucasus and Central Asia fell from 2008 to 2009. In 2010, they started growing in most countries, but returned to the level before the crisis only in Azerbaijan and Kyrgyzstan.

Since the beginning of the millennium, the largest FDI flows in the region, in absolute terms, have usually been received by three countries: Russian Federation, Kazakhstan and Ukraine. The Russian Federation has received the largest amount of FDI, being only once overtaken by Kazakhstan. Azerbaijan broke twice into the top three in early 2000s.

However large the amount of FDI received by the Russian Federation, it has exceeded 3 per cent of their GDP only in 2007 and 2008. The highest FDI inflows as a percentage of GDP were seen in Azerbaijan in early 2000s. Since then, foreign investors have withdrawn income from that country in 2006 and 2007 even for a value greater than that of new investments. During the last 10 years, only Armenia, Georgia and Kazakhstan have annually received FDI exceeding 3 per cent of their GDP. □

FDI to EECCA countries 2006-2010, percentage of GDP



Source: UNECE Statistical Database (www.unece.org/stats/data), Eurostat, IMF and national statistics.

1/ Investment is regarded as FDI when the parent enterprise gains control over its foreign affiliate (10% or more of the voting power).
2/ Data are not available for Turkmenistan and Uzbekistan.