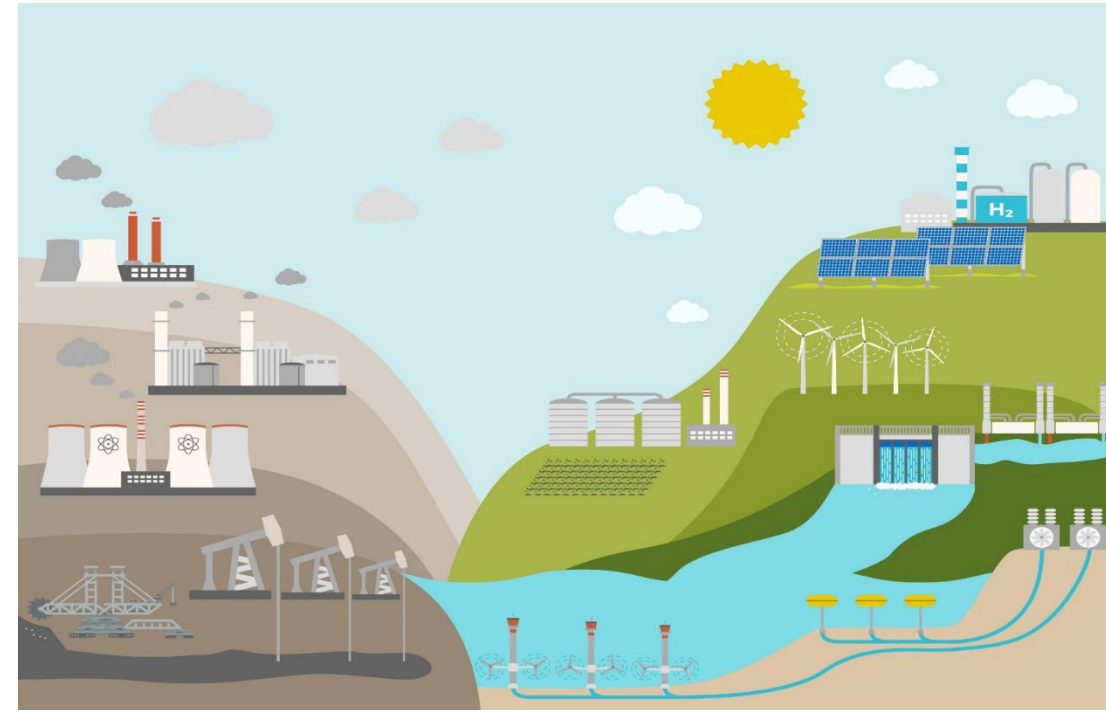


Responsible Resource Governance: Competency in Resource Management

The PARC perspective

Responsible Resource Governance: Competency in Resource Management The PARC perspective

Prof Olugbenga Okunlola



RESOURCE MANAGEMENT
WEEK 2024



UNECE



UNECE

Responsible Resource Governance: Competency in Resource Management

The PARC perspective

Inadequate Resource Management Frameworks Cause

Poor integration of policies, law and regulations across minerals and energy sectors

Challenges in the strategic planning of the development of oil, gas and mineral resources

Insufficient and inefficient capital allocation in the mineral and petroleum value chain

Inadequate plans for developing infrastructure in resource regions

Reduced investor confidence and challenges in contract negotiation capacity

Non-participation in African share markets and other investment instruments





Inadequate Resource Management Frameworks Cause

Missed opportunities in up-, side- and down-stream value addition

Slow introduction of innovative technologies

Lack of clear appreciation of social and environmental issues

Absence of a clear capacity building strategy and its implementation

Issues in full recovery of resource rents and revenues

Non-participation in African share markets and other investment instruments



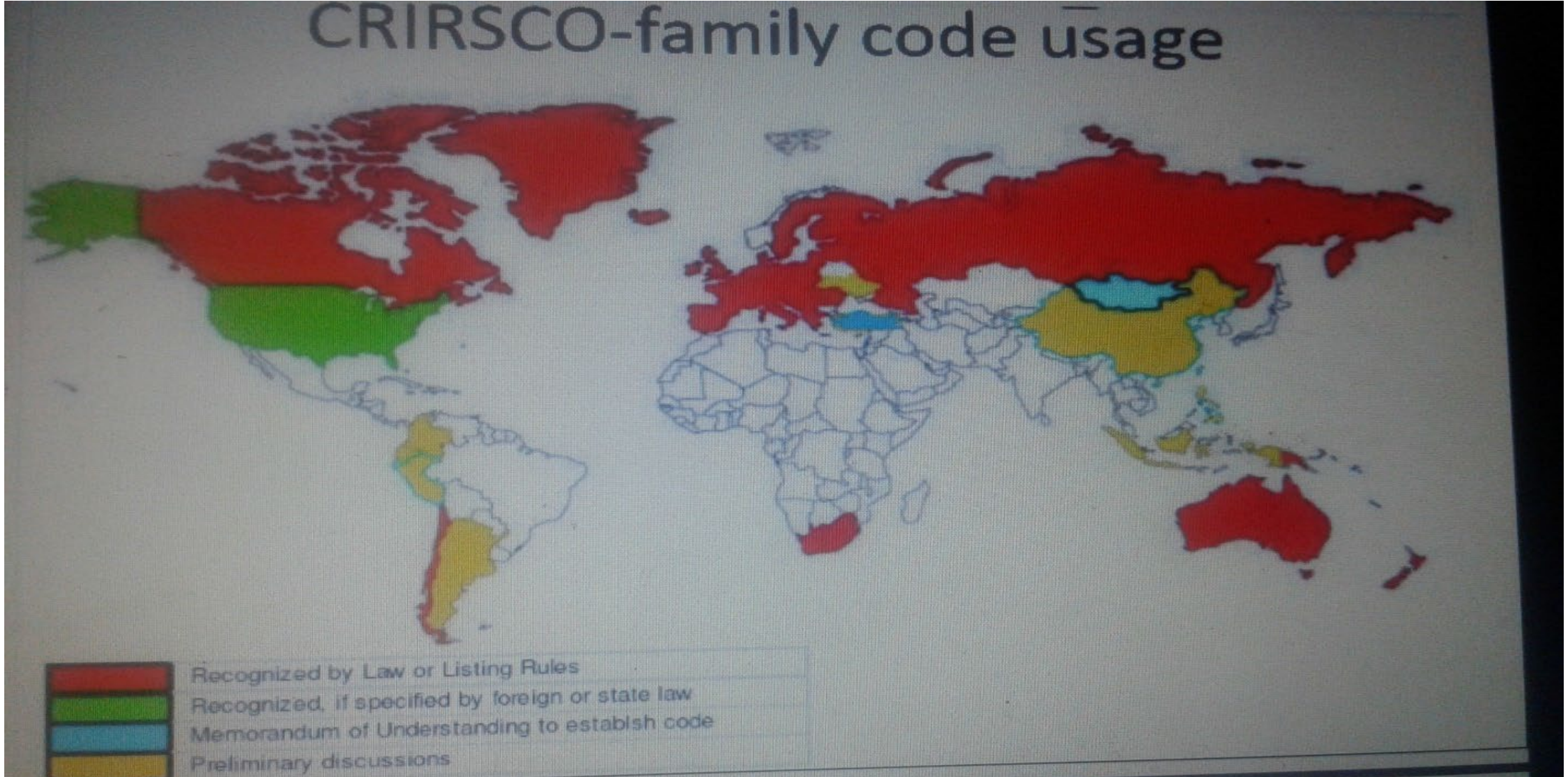
Responsible Resource Governance: Competency in Resource Management

The PARC perspective

- Africa lacked a comprehensive mineral resource management system for strategic planning and an industrial reporting code for attracting finances.
- Structuring Africa's mineral resource development sustainably and equitably requires urgent action to put in place a continental mineral resource management system and internationally recognized reporting code.
- No country in Africa had a comprehensive resource classification and management system. Except for South Africa, no country in Africa has a code for reporting mineral and energy resources to stock exchanges and financial institutions.



CRIRSCO-family code usage



Responsible Resource Governance: Competency in Resource Management

The PARC perspective

- AMREC is intended to bridge this gap, and worldwide become the first application of a system that encompasses oil, gas, minerals and renewable energy in a single package.
- It also includes implementing Pan-African Reserves and Resource Reporting Code (PARC) for transparent financial reporting.
- AMREC has integrated all geosciences professional bodies in Africa that have enforceable disciplinary and ethical procedures into its fold to ensure implementation of professional competency certification processes.
- Also Africa Securities Exchange Association(ASEA) which the umbrella body for the 27 Stock Exchanges in Africa is now working hand in hand with African Union for the recognition and implementation of AMREC/PARC within African continent for a start.



Responsible Resource Governance: Competency in Resource Management

The PARC perspective

- It was on this basis the AMDC organised the Continental Deployment and Implementation workshop for AMREC/PARC, which took place on 19-21 March 2023 in Windhoek, Namibia.
- One of the outcomes of this workshop was the need to develop a working and operative code beyond the policy document.
- This is the basis for which this operational code for PARC is developed and it is meant to simplify usage and application for reporting of minerals and energy resources across the African continent.
- In this code, all reporting entities will find guidance on general reporting requirements for reporting minerals and energy resources and reserves, guidance on competent persons requirements, guidance on reporting of economic results and social benefits, requirements for environmental and social reporting together with reporting on Artisanal and Small-scale mining projects.





AMDC
African Minerals
Development Centre



Launch of the Pan African Resource Reporting Code. 3 April, 2024

Responsible Resource Governance: Competency in Resource Management

The PARC perspective

Pan-African Resource Reporting Code (PARC)

- The AMREC based code for public reporting for resources under relevant financial and security regulations in Africa.

Fundamental purpose

Support shareholder as well as stakeholder confidence and ensure that in alignment to the Africa Mining Vision, Agenda 2063, and good social, environmental and economic benefits are assured for Africa.
SWSS



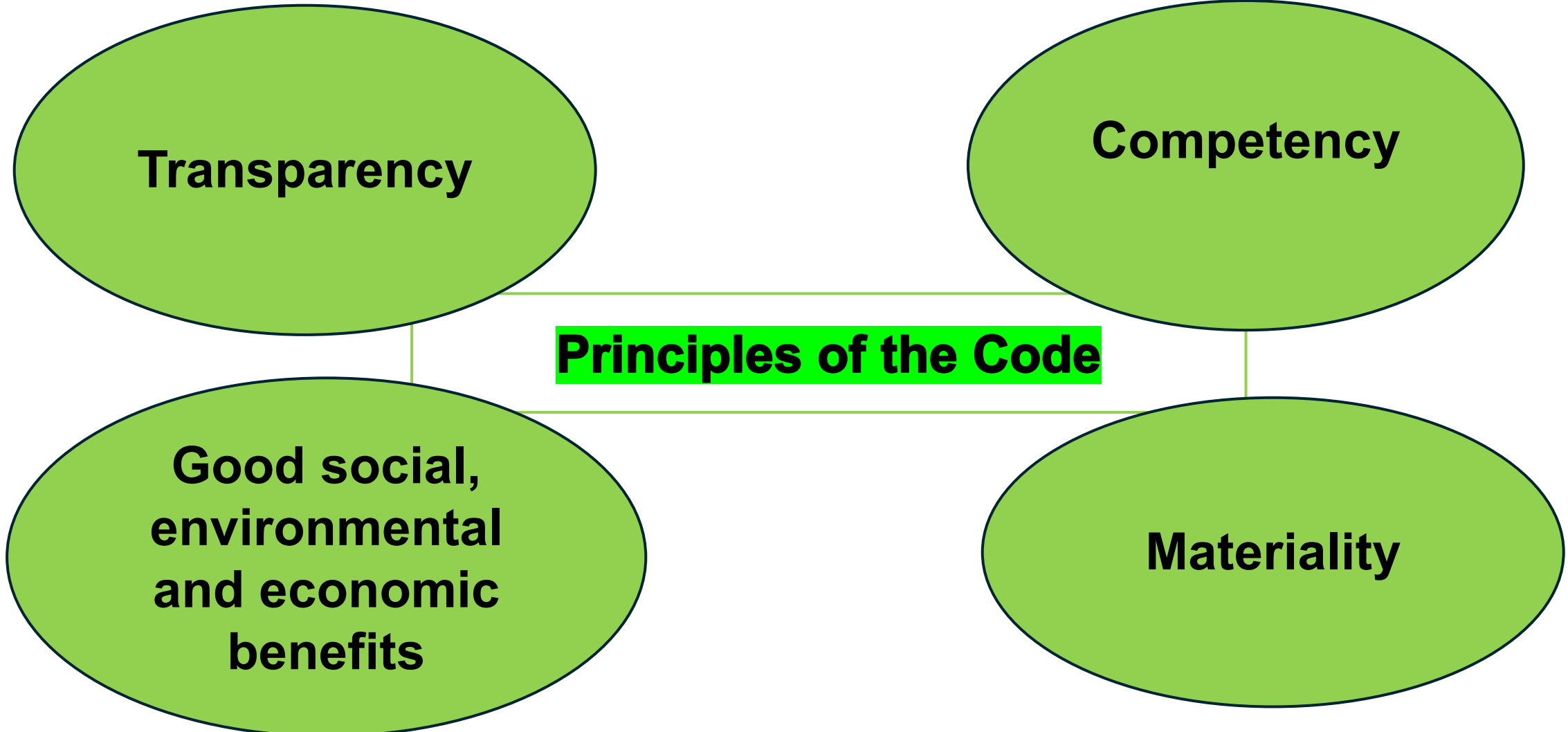


The principal stakeholders of the PARC Code

- **Policymakers at national and AU levels**
- **Governmental institutions – to manage national resources endowments sustainably.**
- **Industry – to provide data and information necessary to deploy technology, management and finance.**
- **Financial community - to allocate capital appropriately and**
- **the local community that are to benefit from the resources on their land**

Responsible Resource Governance: Competency in Resource Management

The PARC perspective



Responsible Resource Governance: Competency in Resource Management

The PARC perspective

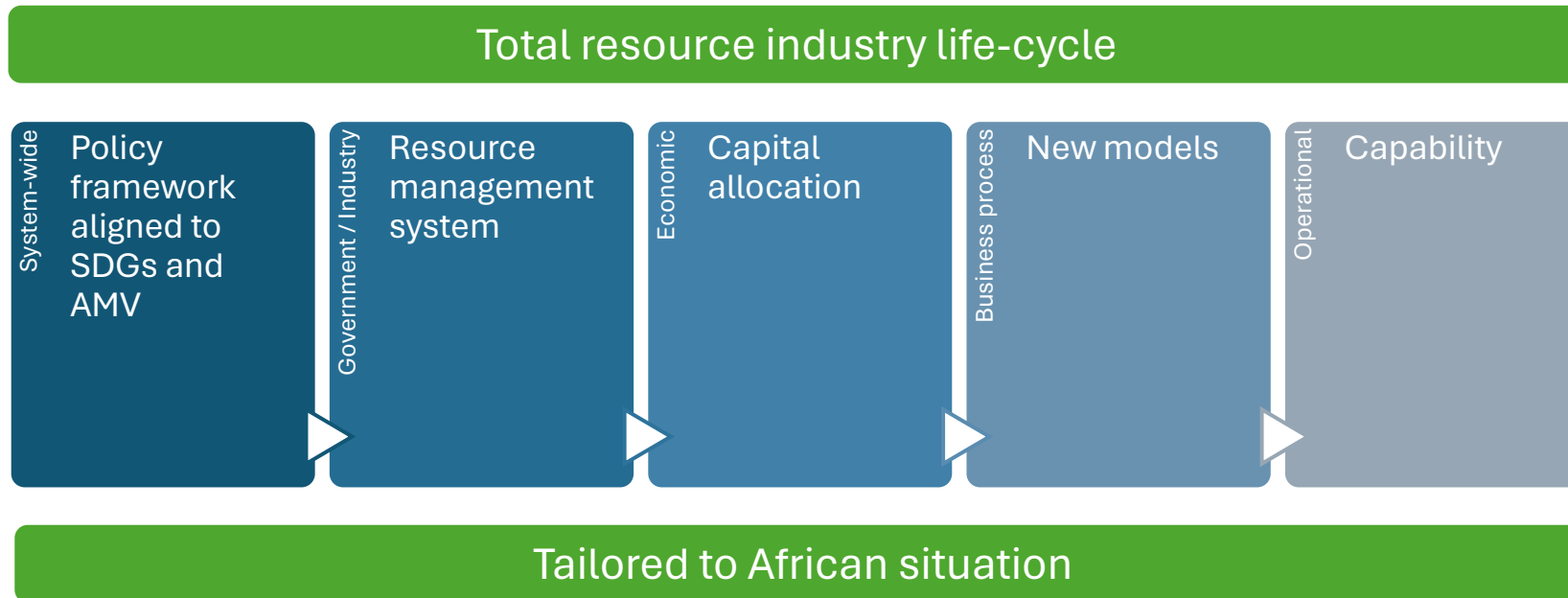


SCOPE OF THE CODE

- The relevant constituency that PARC addresses include investors (shareholders) and other stakeholders such as
 - communities
 - governments,
 - operators,
 - employees,
 - Suppliers
 - Professional bodies.
- Resource reporting under PARC shall be based on the available AMREC mineral inventory information.
- Only the AMREC classes and sub-classes, with their numerical codes as mentioned for each product type (minerals, petroleum, energy) shall be used for public reporting.



Harmonizes Five Critical Areas



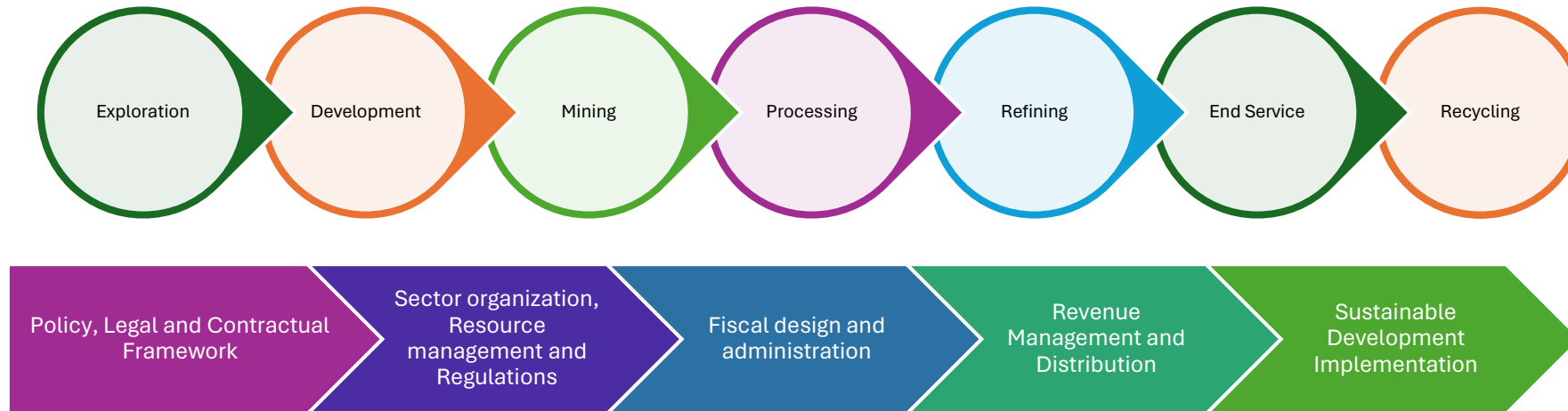
A single management framework to integrate policy, implementation, financial capital, business process and human capability.



Responsible Resource Governance: Competency in Resource Management

The PARC perspective

Aims for Holistic Value Chain and Industry Lifecycle Management



Removes fragmentation of industry life-cycle and integrates it to the value chain for structural transformation and global competitiveness in Africa.



Competent person and Responsibility

A competent person under the PARC code is one who can put

- Skills
- Knowledge
- Experience

into practice to perform activities or a job effectively and efficiently for resource classification, management and reporting.





PRINCIPLES

- **African values:** Shall demonstrate in-depth knowledge of Africa Mining Vision (AMV), Agenda 2063 and the 2030 Agenda for Sustainable Development.
- **Integrity:** Shall demonstrate the values of impartiality, fairness, honesty and truthfulness, in daily activities and behaviours. Takes prompt action in cases of unprofessional or unethical conduct.
- **Professionalism:** Shall demonstrate skill, good judgment and mastery of the subject matter.
- **Care for the environment:** Shall commit to protect the environment and preserve the earth's natural resources, both for today and generations into the future.
- **Respect for diversity:** Shall commit to respect for gender justice and diversity such as race, ethnicity, culture, language, gender, age, religion and disability






QUALIFICATION

- A Competent Person or equivalent should have undergone a managed process of individual learning at a university or academic institution which provides basic knowledge that underpins the science, technology, socio-economics, environmental and community factors of the sectors for which quantity or volume estimation is being carried out.
- At a minimum, a Competent Person should have a relevant tertiary degree
- Competent Person should have relevant experience in resource management functions for the specific technical discipline in the sector for which the resource estimation and reporting is being carried out.
- **A Competent Person must have a minimum of five years' experience working with the style of mineralisation or type of deposit under consideration and relevant to the activity which that person is undertaking.**
- For example: If the Competent Person is preparing a report on Exploration Results, the relevant experience should be in exploration. If the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources
- **A Competent Person must be a Member at the least of a Regional recognised reporting organisation and /or National reporting organisations.**
- **These Recognised Professional Organisation RPO will be as agreed by the Central Assessment /working committee of the AMREC/PARC with a proviso to review this from time to time .**



- 
- It shall be a juristic professional body or association with an enforceable code of ethics and performance expectations. Under the principle of reciprocity,
 - PARC Assessment Committee may approve and recognize Professional Reporting Organisation outside the African continent on the basis of a criteria set up by the committee.
 - Notwithstanding membership of RPOs competent person will be required to be accredited by the PARC assessment committee on the recommendation of the recognized RPOs.
 - The process of accreditation is in accordance with the guidelines put in place by the assessment committee





Complex Project and Group Competency

- Competent Person may be a single person or a team of experts with different backgrounds performing resource management functions.
- These may include Competent Experts and Competent Valuators.
- Competent Expert means a person who may be retained by the Competent Valuator to review technical information, prepare one or more sections of a Valuation Report, or provide Inputs concerning specialized matters about which the Competent Valuator is not personally Competent.
- The Competent Expert shall have sufficient training and experience relevant to the subject matter for which he or she is being retained to review or provide Inputs.






Competent Valuator means an individual who;

- (a) is a professional with demonstrated extensive experience in the Valuation of Mineral Properties
- (b) has experience relevant to the subject Mineral Property or has relied on a Technical Report on the subject Mineral Property by a Competent Person, and
- (c) is regulated by or is a member in good standing with a Professional Association or a relevant Self-Regulatory Professional Organization recognized by PARC assessment committee.



- 
- For complex projects where knowledge in different areas is required, reporting should be performed by a team of Competent Persons, each having appropriate education, experience and continuous training in the relevant areas.
 - The full name, affiliation, education and experience of the Competent Person providing the estimation should be disclosed.
 - All members of the group should indicate which specific part of the reporting they are responsible for
 - A Competent Person should undergo Continuous Professional Development (CPD) as developed and approved by the PARC assessment committee.
 - This is a managed process that is focused on the continuous development of specialized knowledge needed to meet resource management functions.
 - Notwithstanding membership of RPOs, competent experts and competent valuers will be required to be accredited by the PARC assessment committee on the recommendation of the recognized RPOs.
 - The process of accreditation is in accordance with the guidelines put in place by the assessment committee.





Competent Person Self-Assessment Under the PARC

- All Competent Persons are required to carry out a self-assessment of their competence.
- If the CP is preparing a competent person report (CPR), the relevant experience shall be in working with the resource type for which reporting is required.
- The self-assessment template to be followed for the respective resource types, including self-assessment for Competent Expert and Competent Valuator are, provided in the appendix.
- (see Appendix B – L of the PARC code)





ETHICS AND ENFORCEMENT

Rules of Conduct and Guidelines

- The Rules of Conduct shall apply to Competent Persons engaged in the practice of preparing or contributing to public reports using PARC standard.
- These Rules are in addition to the Professional Codes of Ethics that may apply due to the Competent Person's membership in a Recognized Professional Organization (RPO) / Statutory body.



Commitment to Professional Ethics

- PARC Assessment committee shall keep a register of Competent Persons.
- All accredited professionals acting as Competent Persons shall have inherent adherence to commitment to ethical standards and a Fitness to Practice declaration.
- Competent persons shall comply with PARC principles, standards and the rules of the relevant recognized professional organizations to which they belong, including applicable rules and regulations useful for stockholders and stakeholders.
- Competent persons shall comply with all applicable laws and government regulations in the jurisdictions where they operate



Enforcement of Code of Ethics

- PARC Ethics and Standards sub-committee shall receive and review complaints alleging violation and non-compliance with the code
- RPOs have the obligation that if one of its members, acting as a Competent Person under PARC is reported for alleged non-compliance with the PARC, and the RPO's investigations uphold the alleged non-compliance, the finding should be communicated to the PARC Assessment Committee.
- Specifically: a. All matters that attract a penalty related to PARC shall be the responsibility of the PARC Ethics and Standards sub-committee.
 - b. Enforcement of Ethical standards at the RPO level will be based on its membership requirements.
 - c. Breach of ethics may include: Data cooking and falsifying. Deficiencies of procedure and technicalities. Deliberate misrepresentation of findings. Inappropriate and fraudulent behavior.
- Forgery, other types of offenses to be determined by PARC Assessment Committee through its Ethics and Standards sub-committee.



GENERAL REPORTING REQUIREMENTS



- . Generic Classification All reports shall be prepared having considered the principles and terminologies incorporated in AMREC.
- The classification used is a principles-based system in which the products of a resource project are classified on the basis of the three fundamental criteria of environmental-socio-economic viability
- (E), technical feasibility
- (F), and degree of confidence in the estimate
- (G), using a numerical coding system.
- The combinations of these criteria create a three-dimensional system, as shown earlier



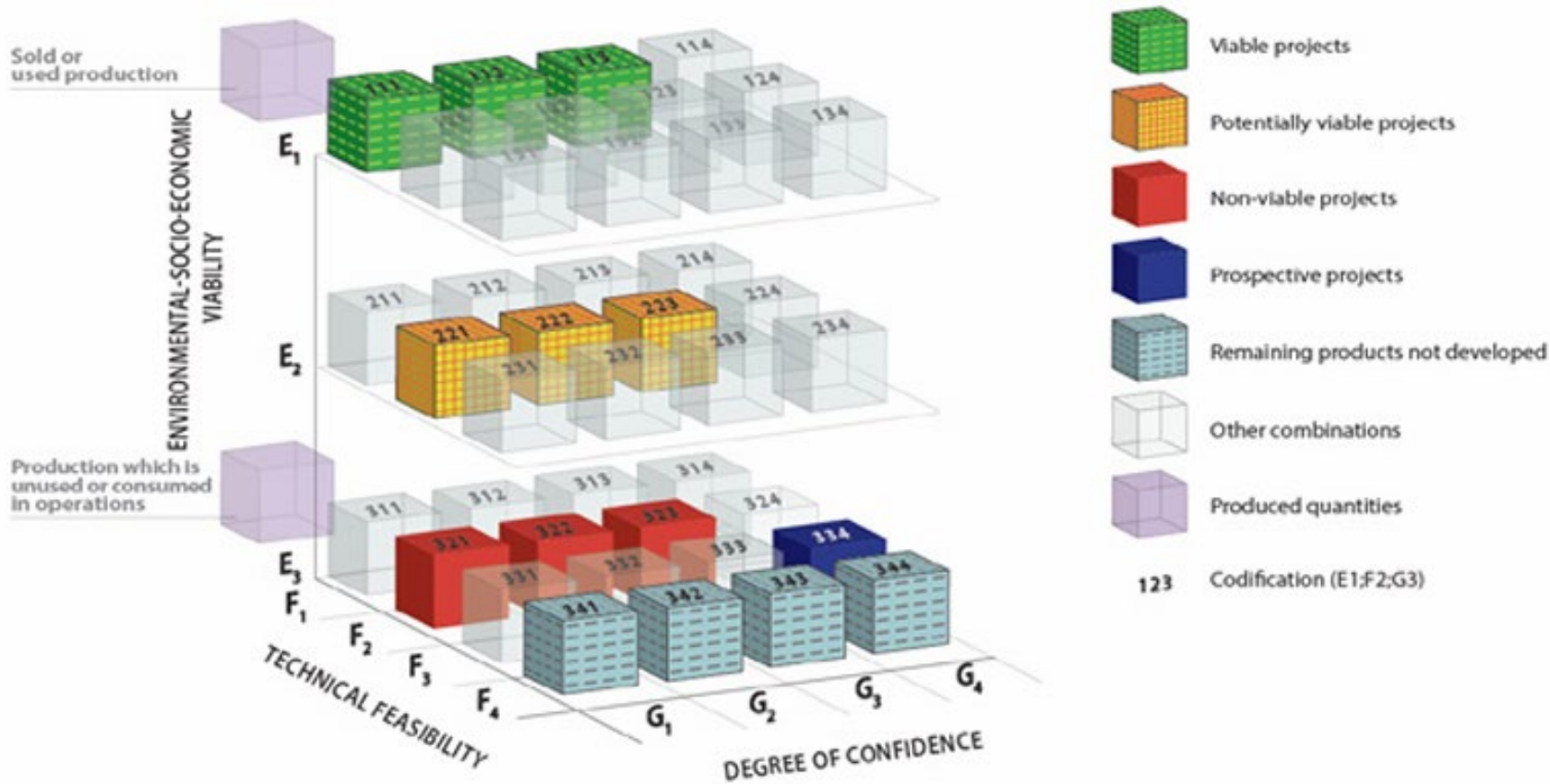


Figure 1.0 Three-dimensional framework of AMREC classification based on UNFC.



TRAINING MODULES FOR CONTINUOUS PROFESSIONAL DEVELOPMENT UNDER AMREC /PARC

- A key essential component of the implementation of the AMREC policy document and the PARC code is the Training.
- **This involves multi sectoral training of stakeholders for the usage of the code and continuous professional development for the mining sector in Africa.**
- **This training template uses the modular system, therefore aims at multilevel training of operators of this code for reporting and practice purposes. This involves the competent persons, industry professionals and official, government personnel in charge of mineral governance in Africa.**
- It is envisaged that as time goes on aspects of these will be modified to conform with the possible expanding scope of the code which may be brought about by the possible change in global mining scenario.
- Thus, it is not meant to be a rigid template. However, the focus towards ensuring clearer understanding of the code for the practice and development of the mining sector in Africa, for the benefit of all, is maintained.



TRAINING MODULES FOR CONTINUOUS PROFESSIONAL DEVELOPMENT UNDER AMREC /PARC

- **Introductory Courses**
- **Ethical Reporting In Resource Industry**
- **Competency And Responsibility Under PARC**
- **Reporting Under PARC**
- *Minerals reporting*
- *Petroleum Reporting*
- *Public reporting of Renewable Energy Projects under PARC*
- *Reporting Terminology for renewables*
- *Coal and energy minerals reporting under PARC*
- *Reporting Of Economic Results, Economic Opportunities And Social Benefits Under PARC*
- **Environmental and Social Reporting**
- **Reporting For Artisanal and Small-scale Mining (ASM)**
- **Role And Responsibilities of Reporting Professional Organization RPO Under AMREC/PARC**
- **Awareness and Sensitization Strategy for The PARC**



THE VIEWS EXPRESSED ARE THOSE OF [AUTHOR NAME AND/OR ORG] AND DO NOT NECESSARILY REFLECT THE VIEWS OF THE UNITED NATIONS.

Thank you!

Olugbenga Okunlola
President Geological society of Africa

UNECE
25 04 2024, Geneva



RESOURCE MANAGEMENT WEEK 2024

