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**Economic Commission for Europe**  
**Committee on Sustainable Energy**  
**Expert Group on Resource Classification**  
**First session**  
Geneva, 28-30 April 2010

## Report of the Expert Group on Resource Classification

### Introduction

1. The first session of the Expert Group on Resource Classification was held on 28-30 April 2010.<sup>1</sup>
2. In the welcoming remarks delivered on behalf of the Director of the Sustainable Energy Division, the decisions of the Executive Committee and the Committee on Sustainable Energy were noted, notably the approval of the change of name from Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology to Expert Group on Resource Classification and the granting of a five-year mandate to 2014, the previous mandate being for two years. It was also noted that the Committee on Sustainable Energy, at its eighteenth session in November 2009, had approved the final text of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009) as the successor to the Framework Classification of 2004. The text of UNFC-2009 was issued as an addendum to the Report of the Committee Session (ECE/ENERGY/80/Add.1) and would be issued as an ECE publication in the six languages of the United Nations (English, French, Russian, Arabic, Chinese and Spanish).
3. It was noted that the Secretariat of the Organization of the Petroleum Exporting Countries (OPEC) had advised the Director on 30 December 2009 of its decision to withdraw from the work of the Expert Group and also of the resignation of Mr. M. Hamel from the Bureau. This advice had been received with great regret and an open invitation had been extended to the OPEC Secretariat to return to the Expert Group at any time in the future.
4. Attention was drawn to the considerable work undertaken by the Specifications Task Force since the last meeting of the Ad Hoc Group of Experts in October 2009 (see paragraphs 22-27) and thanks were extended to the Task Force and, in particular, its Chair, Mr. J. Ross, whose dedication and skilled leadership were acknowledged. Gratitude was

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<sup>1</sup> Official documents of the session are available at <http://documents.un.org/>. Presentations delivered at the meeting are available on the UNECE website at: <http://www.unece.org/energy/se/docs/egrc1.html>.

also extended to the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) and the Society of Petroleum Engineers (SPE), for agreeing to cooperate with the Expert Group in developing specifications for UNFC-2009 at a commodity-specific level.

5. The importance of the establishment of a Technical Advisory Group and its significance to the future development and application of UNFC-2009 was also highlighted.

6. This report provides a succinct summary of the decisions reached on the work of the Expert Group at its first session. For background information, the documents and presentations of the first session are available on the ECE website.

## **Attendance**

7. The meeting was attended by representatives of the following ECE member countries: Austria, Canada, Czech Republic, France, Germany, Kazakhstan, Norway, Poland, Romania, Russian Federation, Slovakia, Slovenia, Switzerland, Ukraine, United Kingdom of Great Britain and Northern Ireland, and United States of America.

8. Representatives of Australia, China, Colombia, Japan, Korea, Mongolia, and Mozambique participated under Article 11 of the Commission's Terms of Reference.

9. The following international organizations were represented: International Atomic Energy Agency (IAEA) (also representing the Organisation for Economic Co-operation and Development (OECD)/Nuclear Energy Agency (NEA)), and the International Energy Agency (IEA). A representative of the European Commission and of Eurostat also participated.

10. Representatives of the following non-governmental organizations participated: American Association of Petroleum Geologists (AAPG), CRIRSCO, Confederation of United Kingdom Coal Producers, Euracoal, German Hard Coal Association, International Accounting Standards Board (IASB), SPE, Society of Petroleum Evaluation Engineers (SPEE), and World Petroleum Council (WPC).

## **Item 1**

### **Adoption of the agenda**

11. The provisional agenda was adopted without amendment.

## **Item 2**

### **Election of officers/bureau of the meeting**

12. In view of the change of name of the Group it was proposed to elect a Bureau to take over with effect from the close of the first session. It was noted that the Bureau comprises a Chair and a number of Vice Chairs such that the full spectrum of stakeholders in the Expert Group is adequately represented. Attention is also paid to ensuring good geographic spread, as well as balance with regard to representation from the minerals and petroleum sectors. It had been previously agreed that the SPE Oil and Gas Reserves Committee (SPE OGRC) and CRIRSCO each have one seat on the Bureau. The Bureau is also able to appoint additional members when required to fulfil certain tasks. There are currently no official rules regarding the period of membership of Bureau members. It is up to the Expert Group to decide, based on a balance between stability and continuity on the one hand, and fresh ideas and rotation on the other hand, so that different experts/countries have the opportunity to serve on the Bureau.

13. The meeting unanimously elected the following Bureau to act from the close of the first session: Mr. M. Lynch-Bell (United Kingdom) as Chair, and Ms. K. Ask (Norway); Mr. F. Birol (IEA), Mr. F. Camisani-Calzolari (CRIRSCO), Mr. D. Elliott (Canada), Ms. M. Ersoy (Turkey and Coordinator of the Minerals (including coal) Stakeholders), Mr. T. Klett (United States of America), Mr. K-R. Knudsen (Norway), Mr. I. Lambert (Australia), Mr. D. MacDonald (United Kingdom), Mr. Y. Podturkin (Russian Federation), and Mr. J. Ross (United Kingdom), Mr. T. Smith (SPEE) and Mr. J. Tenzer (SPE) as Vice-Chairs.
14. The outgoing Bureau was sincerely thanked for its efforts.
15. The Expert Group and the secretariat of the Economic Commission for Europe (ECE) extended their sincere thanks and gratitude to the outgoing Chair Ex-officio, Mr. S. Heiberg, and Vice-Chair, Mr. P. Blystad, for their dedication and expert contributions since 2001.

### **Item 3**

#### **Opening remarks from the chair**

16. The Chair opened the meeting by welcoming participants and, in particular, the large number of attendees taking part for the first time. He observed that the level of interest in and support of UNFC-2009 and the Expert Group appeared to be growing worldwide.
17. He then provided an update on the meetings and conferences he had participated in to promote UNFC-2009 and the Expert Group:
- (a) Committee on Sustainable Energy, Eighteenth Session, Geneva, 19 November 2009;
  - (b) Seventh Annual Global Reserves Summit 2009, London, 25 November 2009;
  - (c) UNFC Workshop, Almaty, 10-11 December 2009;
  - (d) SPE "Hydrocarbon Economics and Evaluation" Symposium (HEES 2010), Dallas, United States, 8-9 March 2010; and
  - (e) Meeting with officials from the United Kingdom Department of Energy and Climate Change, London, 26 March 2010.
18. The Chair advised participants that since October 2009 the work of the Bureau had been conducted through four conference calls and regular e-mail correspondence.
19. The Chair then drew attention to the key issues for decision and discussion: the need or otherwise for future work on specifications for UNFC-2009; the establishment of a Technical Advisory Group; and the development of a communications strategy to promote UNFC-2009 worldwide.

### **Item 4**

#### **Activities and priorities of the Committee on Sustainable Energy and matters for consideration by the Expert Group**

20. The secretariat briefed the meeting on the outcomes of the eighteenth session of the Committee on Sustainable Energy held in November 2009, particularly on the decisions taken by the Committee in relation to the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology (ECE/ENERGY/80, paragraph 21).
21. Participants were further briefed on the focus of the nineteenth session of the Committee on Sustainable Energy to be held in Geneva, 18-20 November 2010, notably that the energy security dialogue held under the Committee would address the issue of energy security and the role of the gas industry and gas infrastructure. The meeting would

also focus on international gas and energy cooperation between producer, consumer and transit countries in the ECE region. Finally, it was noted that a report relating to the work of the Expert Group and further development of UNFC-2009 would be presented to the nineteenth session of the Committee.

## **Item 5**

### **Needs of stakeholders for specifications for the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009**

22. The Chair of the Specifications Task Force provided an update on the work carried out by the Task Force and its four Working Groups on (a) International Energy and Minerals Studies; (b) Government Resources Management; (c) Industry Business Processes; and, (d) Financial Reporting, since it was established in January 2010. He noted that the mandate of the Task Force was to contact a representative range of stakeholders in each of the four key areas of application of UNFC-2009 (as represented by the Working Groups) and request their views on what specifications, if any, they considered to be necessary in order that UNFC-2009 would adequately serve their needs. Written responses were received from 43 organizations worldwide and these focussed on 49 different specification issues.

23. A representative from each of the four Working Groups provided a summary overview of the organizations contacted and the types of responses received. The presentations highlighted that the CRIRSCO Template and the SPE/WPC/AAPG/SPEE Petroleum Resources Management System (SPE-PRMS) address many, but not all, of the specification issues raised by the stakeholders. It was noted that the Template is focussed on public reporting for mining companies with strong support for it as the basis for financial reporting. SPE-PRMS is designed to be flexible in order to cover a wide range of applications, leaving significant choice open to the preparer of resource estimates. Strong support was expressed for it as a basis for corporate reporting, but there was less support for it for financial reporting and government resource management. Significant support was observed for the Template and SPE-PRMS to provide the preferred commodity-specific basis for application of UNFC-2009. The presentations also highlighted that a number of key stakeholder issues are not currently addressed in the Template and/or SPE-PRMS

24. It was noted that the Specifications Task Force had compiled the findings of its research into a draft Report "Stakeholder Requirements for Specifications for UNFC-2009". This draft Report, dated 16 April 2010, was circulated to the Expert Group prior to the first session. The document was intended to provide the basis on which the Expert Group would consider how best to address the stated needs of stakeholders for specifications to be provided for UNFC-2009. It was further noted that the draft Report included a number of recommendations written by the Task Force based on the stakeholder feedback received. The recommendations also included examples of issues for which generic UNFC-2009 specifications might be considered appropriate.

25. A number of the stakeholders contacted by the Task Force were unable to meet the deadline for the draft Report and therefore, for completeness, it was agreed that a final version of the Report would be prepared for circulation to the Expert Group as soon as possible. In view of the unique nature and significance of the information contained in the document, it was further agreed that a summary of the final Report should be published as an official ECE document. In line with the report of the eighteenth session of the Committee on Sustainable Energy (ECE/ENERGY/80, para 21(k)), the summary of the final Report of the Specifications Task Force will be issued as a document for the nineteenth session of the Committee.

26. The Specifications Task Force was thanked for its efforts. It was agreed to establish a new Specifications Task Force, with formal CRIRSCO and SPE involvement, to: consider all issues raised in the final version of the Task Force Report; identify those issues that are fully addressed in both the CRIRSCO Template and SPE-PRMS; and recommend that all other issues are either: inappropriate for specifications (e.g. the issue is considered to be a disclosure issue rather than a classification matter); accommodated by modification/addition to the CRIRSCO Template and/or SPE-PRMS; or addressed by developing generic specifications for UNFC-2009. The recommendations of the Specification Task Force in this regard should then be published for public comment and revision (if necessary) before submission to the second session of the Expert Group for approval or otherwise.

27. The Chair of the SPE OGRC advised that an applications guidelines document for SPE- PRMS was currently being prepared and in view of this it was agreed that the Specifications Task Force should give priority to petroleum when considering the issues raised in the Task Force report and that feedback to the Chair of the SPE OGRC should be given as soon as possible on any foreseen beneficial modifications/additions to SPE-PRMS.

## **Item 6**

### **Additional issues related to the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009**

28. The sub-items for this agenda item were addressed together:

- (a) Specific projects undertaken to map national systems to UNFC-2009;
- (b) Facilitation of additional mapping of UNFC-2009;
- (c) Updating of the ECE report “Mapping of the United Nations Framework Classification for Fossil Energy and Mineral Resources (ECE ENERGY SERIES No. 33 (ECE/ENERGY/71));
- (d) Roll-out and testing of UNFC-2009;
- (e) Process for monitoring and review of testing and application of UNFC-2009 on a two-yearly basis; and
- (f) Case studies on UNFC-2009.

29. It was agreed to establish a Communications Sub-Committee comprising in the order of four experts, including one member of the Bureau and at least one representative from each of the minerals and petroleum sectors. This Sub-Committee would be formed by and report to the Bureau with a mandate to develop and implement a communications and education strategy to ensure that opportunities to promote UNFC-2009 globally and to deliver a consistent message are maximized, including through conferences, workshops, articles and technical papers. The Sub-Committee would also assist to identify experts in countries and organizations not already represented in the Expert Group.

30. The value of having a standard promotional PowerPoint presentation on UNFC-2009 available for use by Expert Group members was highlighted.

31. The importance of the information provided by projects to map national systems to UNFC-2009 was demonstrated by the presentations delivered by:

- (a) Group Leader, Onshore Energy and Minerals Division of Geoscience Australia on “Mapping of Australia's National Classification System for Identified Mineral Resources to UNFC-2009”; and

(b) Chairman of the State Commission on Mineral Reserves of the Russian Federation on “Mapping of the new Russian Federation Classification to UNFC-2009”. The value of having similar mapping case studies presented at the second session was agreed upon.

32. An update on the Chinese minerals classification system was provided by the representative of the Mineral Resources and Reserves Evaluation Center of the Chinese Ministry of Land and Resources.

33. A presentation on the “Technical and Economic Feasibility of Conditions for Calculation of Oil and Gas Field Reserves” was delivered by the Chairman of the State Commission of Ukraine on Mineral Resources.

34. The Chair of the SPE OGRC advised that the SPE-PRMS mapping to UNFC-2009 was currently being updated and should be finalized by September 2010.

## **Item 7**

### **Technical Advisory Group**

35. At the seventh session of the Ad Hoc Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology it was agreed that a Technical Advisory Group should be established to provide assistance and advice on how to interpret, apply and/or map to UNFC-2009 as and when requested, as well as to compile and analyze the results of such initiatives.

36. To facilitate discussion on the establishment of a Technical Advisory Group, the secretariat delivered a presentation comparing the operating procedures and governance structures of CRIRSCO, IASB, and SPE OGRC. The comparison was made based on the following criteria: number of members, selection process for new members, period of membership, selection process for the Chair, period as Chair, decision-making process, frequency of meetings, openness of meetings, publication of minutes and funding.

37. It was agreed that more time was needed in order to move forward on this issue and the Bureau was therefore tasked to progress establishment of a Technical Advisory Group, including development of a mandate, methodology of operation and rules of procedure, list of deliverables, membership list and potential sources of extrabudgetary funding, for consideration at the second session of the Expert Group.

38. Following the presentation on the Technical Advisory Group, a “tour de table” was held to seek the views of the participants on agenda items 5, 6 and 7. There was good general support and consensus in favour of:

(a) The work on specifications continuing and a new Specifications Task Force being established, in particular to develop generic specifications for UNFC-2009 as needed;

(b) The work on mapping of other systems to UNFC-2009 continuing and preferably increasing; and

(c) The establishment of a Technical Advisory Group being progressed by the Bureau. During the discussions the representative from Mozambique and the representative from Japan, both requested the Expert Group on Resource Classification to look into the possibility of organizing workshops or seminars on the UNFC, or to provide presentations on the UNFC at relevant venues. The Coordinating Committee for Geoscience Programmes in East and Southeast Asia (CCOP) was identified as a good candidate to receive a presentation on the UNFC. The secretariat agreed to explore with the Economic and Social Commission for Asia and the Pacific and the Economic Commission for Africa the possibility of organizing UNFC Workshops with their assistance.

## Item 8

### Financial reporting

39. The representative from the IASB Extractive Activities Research Project participated by videoconference and provided an update on the project and the release on 6 April 2010 of the Discussion Paper “Extractive Activities” for public comment. The Discussion Paper proposes that the scope of an extractive activities standard should include only upstream activities for minerals, oil and natural gas. This represents a change from International Financial Reporting Standard 6 (IFRS 6) *Exploration for and Evaluation of Mineral Resources*, which includes minerals, oil, natural gas and similar non-regenerative resources within its scope. The IASB Extractive Activities Research Project team decided against a broader scope because this might result in the need to develop additional definitions, accounting models and disclosures.

40. It was noted that there are considerable similarities in the reserve and resource definitions used in the minerals and oil and gas industries. In addition, overlap exists in the financial reporting issues that these industries face. The project team therefore proposed that there should be a single accounting and disclosure model that applies to all extractive activities.

41. The IASB representative outlined the due process for the potential development of an IFRS for extractive activities. The deadline for comments on the Discussion Paper is 30 July 2010, following which the IASB will then consider whether to add the project to its active agenda beyond 2011. At that time, the IASB Board will decide whether it would be appropriate to proceed to the development of an exposure draft or whether it should publish its own discussion paper. Once that decision has been made, the project team estimates that an exposure draft would take at least 18 months to develop and that a final IFRS would take at least another 12 months to develop.

42. Given the divergence that exists in current practice in companies and organizations, participants were encouraged to not miss the opportunity to influence the direction of the project and to provide comments before the deadline of 30 July 2010. Additional details on the findings and recommendations included in the Discussion Paper are available on the IASB website, under IASB projects.<sup>2</sup>

43. The meeting *noted with appreciation* the information provided and agreed to keep the issue on the work programme as appropriate.

44. The representative from the United States Securities and Exchange Commission (SEC) participated by videoconference and provided feedback on the 2009 SEC Oil and Gas Reporting Rules based on the company filings received over the previous six week period. He emphasized that the feedback was only preliminary and was likely to change as more filings were received.

45. The major changes to the rules were outlined. In adopting the new rules, the SEC’s key goals were:

- (a) Investor protection;
- (b) Comparability;
- (c) Increased transparency for investors; and

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<sup>2</sup> <http://www.iasb.org/Current+Projects/IASB+Projects/Extractive+Activities/Summary.htm>.

- (d) Long-term application of the rules – through the concept of principles-based rules, the SEC is hoping that adequate flexibility has been incorporated such that the rules will not need regular revision e.g. due to a new technology or methodology.

46. Preliminary feedback was then provided based on the limited filings received to date, including, for example: on the application of “reliable technology”; the requirement to report reserves separately by continent; the option to disclose both probable and possible reserves; on the preparation of reserves estimates or reserves audit, where full disclosure of the technical qualifications of the primary person or third party is needed. It was also noted that the impact of the new rules on reserves should be clarified; if a company is reporting changes to reserves from 2008 to 2009 then an explanation should be provided for investors of how much of the change in reserves is due to business conditions versus the new SEC rules e.g. due to the move from year end pricing to average pricing.

47. The possibility of more guidance being issued by the SEC was not ruled out.

48. The representative from Chevron provided an overview of the modernization of oil and gas reporting rules by the SEC as seen from a company viewpoint. It was noted that in order to meet the filing deadline timing and training were critical and both had to be carefully coordinated. Constraints related to technical issues and those imposed by the new required disclosures e.g. the need to upgrade databases. With regard to alignment with SPE-PRMS the following was observed: improved conformance with the overarching standard of “reasonably certainty” for both developed and undeveloped proved reserves; improved efficiency by closing the gap between the SEC’s proved estimates and the company’s low case estimates; and improved international alignment.

49. The representative from Ernst & Young provided an overview of the impact on disclosures of the new SEC oil and gas reporting rules. He highlighted what has changed in practice regarding application of the rules. Due to there being no retrospective application of the rules, there is an inconsistency between 2008 and 2009 disclosures. The rule changes have had a significant impact on reserves estimation and company processes and this was particularly aided by the pricing changes in 2009. They have also led to enhanced narrative disclosures around proved undeveloped reserves (PUDs) and controls in place. There has been very limited adoption of additional voluntary disclosures both in terms of reserves volumes and sensitivities. He also noted the alignment of other supplementary disclosures required under the United States Generally Accepted Accounting Principles. It was observed that for a user of financial statements the rule changes have overall been positive.

50. The representative from the law firm Sullivan and Cromwell provided a review of the experience of filers under the new 2009 SEC Oil and Gas Reporting Rules. The experience related to some 30 “large cap” (over US\$5 billion capitalization) SEC reporting companies. The feedback focussed on the additions and deletions to the new rules, as well as the new required and optional disclosures. The overall reaction of the filers was positive, notwithstanding that there were areas of difficulty, including: transition issues in presenting on the new basis, disclosure by continents was not a straight-forward exercise, and there was a lack of clarity on how detailed the discussion of technologies employed should be, especially where proprietary technology was involved.

51. The representative from the Alberta Securities Commission delivered a comprehensive presentation on “Classification Issues Associated with Unconventional Resources.”

## **Item 9**

### **Classification of recipient reservoirs**

52. The representative from Statoil delivered a presentation on whether UNFC-2009 could be used in classifying injection projects. It was noted that the Expert Group programme of work for 2009-10 had included agreement to explore how the UNFC could be used in classifying injection projects (e.g., CO<sub>2</sub> storage and natural gas storage) and that a report should be presented thereon to the first session of the Expert Group. The presentation focused on a number of the challenges associated with injection projects, and CO<sub>2</sub> injection in particular, as an introduction to a discussion and further work on this issue. It was noted that the small work group or task force on this issues as previously envisaged had yet to be established.

53. The presentation highlighted the many challenges related to injection and storage but that a simple approach could be to use the main principles of UNFC-2009 as a project-based classification tool: is the injection project economically and socially viable? (E axis); is the injection project technically feasible? (F axis); and how much could be injected and stored? (G axis). It was noted that development of specifications and guidelines for UNFC-2009 might be even more important were injection projects to be included.

54. Following extensive discussion, it was noted that participants had expressed the full range of views on this issue, from not wishing it to be progressed further to finding it highly relevant and useful. It was *agreed* that, subject to appropriate prioritization, the Expert Group should continue to develop its views on this potential use of the UNFC, including via establishment of a Task Force on UNFC and Recipient Reservoirs which would report to the Bureau. The need to identify additional key stakeholders who could provide critical analysis and feedback on the practicality of applying UNFC-2009 for these types of projects was also agreed upon.

## **Item 10**

### **Workshop on promotion of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 in Central Asia and the Caucasus**

55. The secretariat provided a summary of the ECE workshop “Building Capacity on UNFC-2009 – Focus on Central Asia, the Caucasus and Mongolia”, held in Almaty, Kazakhstan, 10-11 December 2009. Whilst the original focus of the event had been the economies of Central Asia and the Caucasus, the participant list had been usefully extended to include Afghanistan and Mongolia. The purpose of the workshop was to facilitate these economies to build capacity and understanding on the UNFC and its application to both the minerals and petroleum sectors. The workshop was organized with a project budget of USD 36,000 from ECE Regular Programme for Technical Cooperation funds. This budget was more than doubled through contributions, sponsorship and in kind support from BP, CRIRSCO, Ernst & Young, Ross Petroleum (Scotland) Ltd, RWE Dea AG, State Commission of Ukraine on Mineral Resources and Statoil. A total of 38 representatives from Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan and Uzbekistan participated. It was noted that details of the workshop and the presentations are available on the ECE website.<sup>3</sup> The event was highly interactive with positive feedback from all participants and requests from all participating countries for national events on the UNFC.

<sup>3</sup> [www.unece.org/energy/se/docs/spf\\_wsDec09\\_Almaty.html](http://www.unece.org/energy/se/docs/spf_wsDec09_Almaty.html).

**Item 11****Projects and events in 2010 and 2011 to promote the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009**

56. Events to promote UNFC-2009 in 2010 and 2011 were summarized, including:
- (a) An update on the International Workshop on “UNFC Theory and Practice” to be held in Warsaw, Poland, 21-22 June 2010. The event, which is jointly organized by the Polish Geological Institute – National Research Institute and ECE, will include detailed discussions on the classification and evaluation of reserves and resources in Poland and the long-standing efforts to align Polish terminology with the UNFC. The Workshop will also provide a forum for discussing the practical application of the UNFC in other countries.
  - (b) An update was also provided on the three-year EuroGeoSource Project “EU Information and Policy Support System for Sustainable Supply of Energy and Mineral Resources to Europe”, which is funded by the European Commission. The main objective of the project is to develop a web-based information system that supports energy and minerals planning in Europe. The Expert Group is a member of the Project Advisory Board. The kick-off project meeting was held in The Netherlands, 15-16 April 2010. Questionnaires are now being prepared to (i) define user requirements for the EuroGeoSource System (Work Package 2); and (ii) create an overview of the organizational and political aspects related to the collection, storage and dissemination of energy and minerals data (Work Package 3). The initial project results will be discussed at a workshop in Slovenia in June, to which a representative of the Expert Group is invited to attend.
  - (c) It was noted that plans are underway to organize a two-day national workshop on the UNFC in Ankara, Turkey, at the end of 2010.
  - (d) It was agreed that the Communications Sub-Committee would coordinate and develop a strategy to promote UNFC-2009 at other events worldwide.

**Item 12****Terms of Reference of the Expert Group on Resource Classification**

57. Attention was drawn to the terms of reference the Expert Group (annex to the Provisional Agenda ECE/ENERGY/GE.3/2010/1) as approved by the Committee on Sustainable Energy at its eighteenth session.

**Item 13****Review of the programme of work for 2010/2011**

58. After discussion, the Expert Group:
- (a) *Elected* a Bureau to serve from the close of the first session of the Expert Group recognizing that organizations and professional associations represented on the Bureau might need to change their representatives during the term of service;
  - (b) *Expressed* appreciation for the work undertaken by the Specifications Task Force on identifying stakeholder needs for specifications for UNFC-2009;
  - (c) *Agreed* that the successor Specifications Task Force (established by and reporting to the Bureau) should consider all issues raised by stakeholders that are not currently

addressed fully in the CRIRSCO Template and/or the SPE-PRMS and as contained in the final version of the Report of the original Specifications Task Force. *Requested* that each issue is carefully considered in turn and either: (a) a generic UNFC specification is developed to address the issue, for the eventual approval of the Expert Group, but subject to a public comment period; (b) an explanation is provided to the Expert Group to demonstrate that the issue is, or will be, adequately addressed in both the Template and SPE-PRMS based on discussions with CRIRSCO and SPE OGRC; or, (c) an explanation is provided to the Expert Group to justify why a specification is not considered necessary and/or appropriate for that issue. *Further requested* that this work be completed prior to the second session of the Expert Group;

- (d) *Agreed* that the Bureau should progress establishment of a Technical Advisory Group, including development of a mandate, methodology of operation and rules of procedure, list of deliverables, membership list and potential sources of extrabudgetary funding, for consideration at the second session of the Expert Group;
- (e) *Encouraged* the owners of other classification systems to map their system against UNFC-2009 with the assistance of the Bureau (until the Technical Advisory Group is established), if requested, and to provide feedback to the Bureau on any issues arising from the mapping process;
- (f) *Encouraged* stakeholders to carry out cross-mapping with other systems (e.g. as CRIRSCO and SPE are currently undertaking with the Russian Federation); ideally this would include government to government mapping as well as with commercial systems. Results should be compiled and analysed by the Bureau (until the Technical Advisory Group is established);
- (g) *Encouraged* members of the Expert Group to test UNFC-2009 in their own work environments;
- (h) *Agreed* that the Communications Sub-Committee (established by and reporting to the Bureau) should develop and implement a communications and education strategy to ensure that opportunities to promote UNFC-2009 globally and to deliver a consistent message are maximized, including through conferences, workshops, articles and technical papers;
- (i) *Agreed* that the Communications Sub-Committee should explore the possibility to facilitate organization of a Global Resource Classification Conference in London at a suitable date to be agreed and to do so in cooperation with as many of the Expert Group stakeholders as possible;
- (j) *Expressed* appreciation for the research work undertaken to explore how the UNFC could be used in classifying injection projects (e.g., CO<sub>2</sub> storage, natural gas storage). *Agreed*, subject to appropriate prioritization, that the Task Force on UNFC and Recipient Reservoirs (established by and reporting to the Bureau) should continue to develop its views on this potential use of the UNFC and identify additional key stakeholders who could provide critical analysis and feedback on the practicality of applying UNFC-2009 for these types of projects;
- (k) *Agreed* to hold the second session of the Expert Group in Geneva, 6-8 April 2011, and *noted* that appropriate documentation should be prepared for this meeting, which could include papers relating to the work of the Specifications Task Force on development of generic specifications for UNFC-2009, proposals for a Technical Advisory Group and case studies on the UNFC;
- (l) *Agreed* to continue supporting the IASB Extractive Activities Research Project as appropriate; and

- (m) *Acknowledged* with appreciation the workshops being organized in 2010 and 2011 to promote the UNFC, including the International Workshop on “UNFC Theory and Practice” in Warsaw, 21-22 June 2010 and the two-day UNFC Workshop in Ankara, Turkey in November/December 2010. *Agreed* to explore the potential for holding regional UNFC workshops e.g. sub-Saharan Africa and South-East Asia.

#### **Item 14**

##### **Other business**

59. It was *agreed* to hold the second session of the Expert Group in Geneva, 6-8 April 2011.

#### **Item 15**

##### **Adoption of the report of the meeting**

60. It was *agreed* that the report of the meeting would be drafted in consultation with members of the Bureau, approved by the Bureau and then circulated to the Expert Group and posted to the ECE website.
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