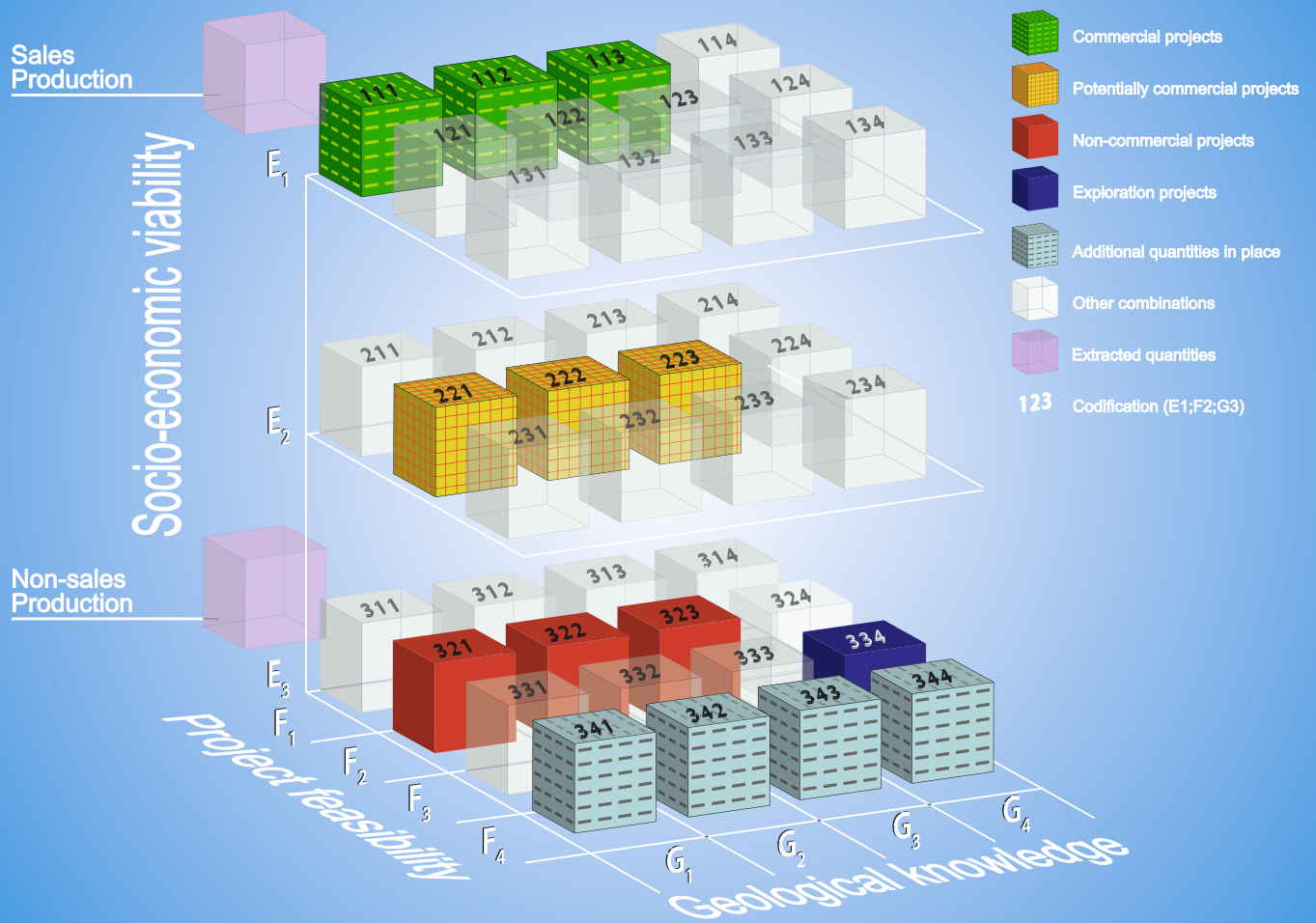
UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

United Nations Framework Classification

Sustainable Management of National Endowments



UNECE

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

UNITED NATIONS FRAMEWORK CLASSIFICATION – SUSTAINABLE MANAGEMENT OF NATIONAL ENDOWMENTS

GENEVA, 2015

Ensuring reliable and affordable supplies of energy to support sustainable development is a challenge. Achieving this goal in an environmentally responsible manner is an even greater challenge. Strong, reliable and lasting international standards such as the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC) are a key part of the process. UNFC is unique among the major international resource classification schemes in that it is the only system that includes consideration of commercial, social and environmental impacts as well as project feasibility and technical uncertainty. It allows a direct comparison of projects that extract primary energy fuels, such as oil, gas, coal and uranium, with renewable energy projects. UNFC serves the needs of:

- Governments when managing their natural resources;
- industry for information while deploying technology, management and finance to secure energy supplies and capture value efficiently within the established frameworks to serve their host countries, shareholders and other stakeholders;
- international organizations developing energy and mineral studies for reliable and coherent data to formulate robust and long-sighted policies; and
- The financial community for information to allocate capital appropriately, providing the required capital efficiency.

UNFC builds the foundation for fact based energy and mineral strategies and their industrial execution. The system now applies to traditional solid minerals (coal), oil, gas, uranium, thorium and other solid minerals. Comparable work is underway for renewable energy projects, as well as for geological storage of CO_2 for carbon capture and storage projects. A standardized

system of classifying and comparing energy production from all types of projects allows investors to rank diverse portfolios of both alternative and conventional forms of energy. Such a system will facilitate efficient allocation of investment capital among competing energy projects and accelerate the transformation of the global energy system.

Work is progressing on the application of UNFC to bioenergy and geothermal energy in particular, with application to hydro, solar and wind to follow. The development of an international system and a standardized terminology for reporting geothermal resources based on UNFC is being undertaken by UNECE in cooperation with the International Geothermal Association (IGA). Adoption of a global standard such as UNFC for assessing and financing projects can help accelerate geothermal projects in East Africa, Europe and elsewhere. Better yield forecasting, especially for wind, would improve investment conditions and attract private sources. An identifiable global standard based on UNFC methodology can help increase predictability and drive forward the investments needed for a low-carbon future.

Adopting a common assessment methodology for renewable resources will greatly benefit investors, regulators, governments and consumers. Energy companies will be able to report their renewable energy resources on a consistent basis, possibly alongside their reporting of mineral and hydrocarbon reserves. This outcome would provide further insight for investors and great benefits with regard to accounting and valuation of the total renewable asset base of those companies.

The work on UNFC is carried out by the UNECE Expert Group on Resource Classification. The Expert Group is open to all stakeholders worldwide, including representatives from government institutions from both UNECE and non-UNECE member countries, industry, international organizations, the

financial reporting sector, professional associations and companies dealing with regulations, evaluation, classification, exploration, exploitation and investment in energy and mineral resources. More than 250 global experts ensure the continued development and promotion of UNFC. Many countries around the world, including in Europe, Central Asia, Africa, East and South-east Asia and Latin American and the Caribbean, are looking to apply the system nationally. They acknowledge the benefits and efficiencies that UNFC brings under the global mandate given to UNECE by ECOSOC.

For more information visit:

http://www.unece.org/energy/se/reserves.html

United Nations Economic Commission for Europe

Sustainable Energy Division

UNECE's work on sustainable energy is designed to improve access to affordable and clean energy for all and help reduce greenhouse gas emissions and the carbon footprint of the energy sector in the region. It promotes international policy dialogue and cooperation among governments, energy industries and other stakeholders.

The Committee on Sustainable Energy and its six subsidiary bodies carry out concrete and results-oriented activities with the aim to achieve the specific objectives identified for each priority area:

Areas of work

- Cleaner Electricity Production
- Coal Mine Methane
- Energy Efficiency
- Natural Gas
- Renewable Energy
- Resource Classification
- Energy Security

For more information

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