

To: Members of the Bureau of the UNECE Expert Group on Resource Classification

From: David MacDonald, Jim Ross and Charlotte Griffiths

**Conference Calls with the Bureau of the
Expert Group on Resource Classification (EGRC)
9am and 3pm 3 December 2013 (WET)
FINAL MINUTES**

Present on 9am Call:

1. David MacDonald (Chair)
2. Michael Lynch-Bell (Chair Ex-officio)
3. Karin Ask (petroleum sector)
4. Capella Festa *representing* Fatih Birol (IEA)
5. Kjell Reidar Knudsen (Norwegian Petroleum Directorate)
6. Yanis Miezitis *representing* Leesa Carson (Geoscience Australia)
7. Jim Ross (petroleum sector)
8. Hari Tulsidas (IAEA)
9. Charlotte Griffiths (UNECE)

Observer

1. Danny Trotman (financial reporting sector)

Present on 3pm Call:

1. Dave MacDonald (Chair) (for first 10 minutes)
2. Jim Ross (Chair from 1510 hours)
3. Dan Diluzio *representing* Rawdon Seager (SPE)
4. Paul Bankes *representing* Roger Dixon (CRIRSCO)
5. Tim Smith (SPEE)
6. Brad van Gosen (USGS)
7. Charlotte Griffiths (UNECE)

Apologies:

1. Fatih Birol (IEA)
2. Leesa Carson (Geoscience Australia)
3. Roger Dixon (CRIRSCO)
4. David Elliott (financial reporting sector)
5. Mucella Ersoy (Turkish Coal Enterprises)
6. Yuri Podturkin (Russian Working Group)
7. Rawdon Seager (SPE)
8. Adichat Surinkum (CCOP)

Draft Agenda

1. Approval of draft agenda
2. Draft minutes of 17 October 2013 Bureau Calls
3. Outcome for EGRC/UNFC of 22nd Session of the Committee on Sustainable Energy and EXCOM Informal Consultations on Energy
4. Draft UNECE/EGRC-CRIRSCO MoU
5. Letter from Indian Bureau of Mines re TAG and UNFC-1997 to UNFC-2009 Mapping

6. Update on Task Force on Application of UNFC-2009 to Renewable Energy Resources
Update on Task Force on Application of UNFC-2009 to Nuclear Fuel Resources
7. Update on Task Force on UNFC and Injection Projects
8. EGRC Fifth Session, 29 April – 2 May 2014
9. Education and outreach
10. Any other business
11. Timing of next meeting

1. As the EGRC Chair was unexpectedly unavailable for the majority of the afternoon call, it was agreed that Jim Ross should act as the Chair.

Item 1: Adoption of the Agenda

2. It was agreed to discuss the revised terms of reference for the Communications Subcommittee under Any Other Business. Aside from this, the agenda was adopted without amendment.

Item 2: Draft Minutes of Bureau Calls of 17 October 2013

3. The draft minutes as circulated on 22 October were approved without amendment.

Item 3: Outcome for EGRC/UNFC of 22nd Session of the Committee on Sustainable Energy and EXCOM Informal Consultations on Energy

Attachments: Revised EGRC Mandate and Terms of Reference

4. A briefing was provided on the outcome for the Expert Group on Resource Classification (EGRC) and UNFC-2009 following the twenty-second session of the Committee on Sustainable Energy, 21-22 November 2013, and the informal consultations of the UNECE Executive Committee on the subprogramme on energy that took place in November. At the start of the negotiation, the EU-28 proposed a one year extension of the mandate of the Expert Group i.e. to December 2015, as well as revisions to the Terms of Reference agreed by the Expert Group at its fourth session. Following discussion and negotiation by UNECE member States, the following was agreed by the Committee on Sustainable Energy on 22 November:

- (a) Mandate renewed to December 2019 (the current mandate ends December 2014);
- (b) Terms of Reference revised as per the attachment circulated with draft agenda for the call
- (c) Plan of work for 2013-2014 as recommended by the Expert Group at its fourth session;
- (d) Specifications for the application of UNFC-2009 were approved. The wording of the conclusion of the Committee:

“Endorsed the Specifications for the Application of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 (UNFC-2009) as contained in document ECE/ENERGY/2013/L.1 and requested that they be issued together with UNFC-2009 in one publication in all languages of the United Nations in support of ECOSOC Decision 2004/233. All future updates of UNFC-2009 and/or the Specifications are to be issued as one publication in all UN languages.”

(e) Four days of official meetings of the Expert Group at the Palais des Nations per year for the next two years (2014 and 2015).

5. It was clarified that items (a), (b), (c) and (e) will all be submitted to the Executive Committee of ECE at its meeting on 4 December 2013 for consideration and approval. It is anticipated that all the items will be approved without amendment.

6. During the informal EXCOM consultations, clarification had been provided that the sub-groups of the EGRC fall under the responsibility of the EGRC i.e. Technical Advisory Group, Renewables Task Force, Communications Sub-Committee etc.

7. The consultations and negotiations by ECE member countries highlighted the positive and across the board support for the EGRC and its work. The four ECE member States represented on the Bureau – Norway, Turkey, Russian Federation and the United States – were all vocally supportive of the Expert Group and UNFC during the negotiations, which was noted with appreciation.

8. Vocal support from member States for the EGRC and its work is going to continue to be important going forwards. Any proposals for issues to be discussed at EGRC meetings or for new areas of work that are not expressly mentioned in the revised EGRC Terms of Reference will need to put forward by at least two member States.

Item 4: Draft UNECE/EGRC-CRIRSCO MoU

9. A long-standing agreement has been in place between CRIRSCO and the UNECE/Expert Group but this has never been formalized. The Bureau was advised that a draft Memorandum of Understanding between UNECE/EGRC and CRIRSCO has been prepared (similar to that signed with SPE in 2006). The draft document is currently with CRIRSCO for comment.

Item 5: Letter from Indian Bureau of Mines re TAG and UNFC-1997 to UNFC-2009 Mapping

Attachment: Letter from Mr. S. K. Adhikari, Indian Bureau of Mines (dated 20 November 2013)

10. The letter from Mr. S. K. Adhikari, Indian Bureau of Mines (dated 20 November 2013) was reviewed. With regard to the request for UNFC-1997 to UNFC-2009 mapping assistance, it was noted that the High-level UNFC-1997 to UNFC-2009 Mapping Document of 2012 has been provided to the Indian Bureau of Mines. It was agreed that feedback should be provided that it would be preferable to transfer quantities/volumes using the Mapping Document, but then start using the CRIRSCO Template Bridging Document. The Indian experts should be encouraged to implement the changes and then come back to the Bureau/TAG with specific questions on any difficulties that may arise.

11. The UNFC Conference held in India, 29-30 October, highlighted that during application of UNFC-1997 new definitions were developed in India. India has committed to implementing UNFC-2009 at the national level for all extractive activities starting with solid minerals. As part of the follow-up to the Conference, the World Bank is assisting the Ministry of Mines and the Indian Bureau of Mines with the implementation of UNFC-2009 to

solid minerals as one of the three pillars of an integrated national sustainable resource management system – the other pillars are roll-out of a mining tenement system and implementation of sustainable mine plans. The World Bank is cooperating closely with EGRC/UNECE on this project.

12. On the request for an expert from India to join the Technical Advisory Group, it was discussed that Mr. Adhikari would be a suitable candidate as he has a good understanding of the UNFC and resource classification, particularly in view of his extensive involvement in the organization of the UNFC Conference in New Delhi in October. Bureau members noted that inclusion of a representative from India would serve to usefully broaden the geographic spread of TAG members. A reservation was, however put forward that if the Indian Bureau of Mines is requesting technical assistance to apply UNFC-2009 would a representative have the technical expertise and understanding to be able to contribute to the TAG at the level required. After some discussion on this point, there were no objections. It was also noted that it would be useful to have a TAG member with experience in mapping from UNFC-1997 to UNFC-2009 as a number of other countries are in a similar situation to India. The Bureau recommended to the TAG that an invitation should be extended to Mr. Adhikari to join.

Item 6: Update on Task Force on Application of UNFC-2009 to Renewable Energy Resources

Attachments: Final Terms of Reference for the Task Force
Minutes of 4 October 2013 Task Force Meeting

(i) Final Terms of Reference for the Task Force

13. The feedback from the Bureau provided on the last Bureau call in October has now been incorporated into a revised version of the Terms of Reference for the Renewables Task Force. This revised text was circulated to the Bureau with the agenda for this call. The changes related to inclusion of a new final paragraph under the heading “Reporting”:

“Reporting

14. The Task Force reports to the Bureau of the Expert Group between annual meetings. All outputs of the Task Force are to be reviewed and approved by the Bureau prior to submission to the Expert Group for review and approval. The Task Force will report annually on its work to the Expert Group.”

14. The Bureau agreed on the revised text of the Terms of Reference and the final version will now be posted to the UNECE website.

(ii) Work of Task Force

15. The work of the Task Force is progressing well as highlighted in the minutes of the meetings that were circulated to the Bureau.

16. The Task Force is working on a high-level document that “interprets” UNFC-2009 (including the generic specifications) in the context of renewables. For example, the document clarifies how terms such as “deposit” should be interpreted.

17. The Task Force is considering which option is best for geothermal resources i.e. development of geothermal specifications directly with UNFC-2009 or development of a bridging document with the existing geothermal classification system notwithstanding that this is not a globally accepted system. The geothermal industry is actively looking at

developing a global classification system hence the Task Force is also liaising closely with the International Geothermal Association and looking to formalize this cooperation, perhaps through a Memorandum of Understanding (similar to that signed with SPE and currently being developed with CRIRSCO).

18. In planning its work moving forwards, the Task Force is considering the option of dividing renewables into three different groups: (i) geothermal, (ii) biofuels, (iii) renewables which generate electricity directly eg solar, wind.

19. The Bureau noted its appreciation for the work of the Task Force.

Item 7: Update on Task Force on Application of UNFC-2009 to Nuclear Fuel Resources

20. The Joint IAEA/NEA Uranium Group met in Paris, 6-7 November, and agreed that it would be useful to include the UNFC Nuclear Fuels Bridging Document as an Appendix in the upcoming 25th edition of the “Red Book”. Before doing so, modifications to the Bridging Document have been requested by the Uranium Group, including removal of cost of production figures from the chart that maps the uranium classification scheme with UNFC-2009. A revised draft Bridging Document has been prepared by the IAEA representative accordingly, which is with the Task Force members for comment.

21. A number of Bureau members indicated their surprise at the request by the Uranium Group to remove the cost categories. The IAEA representative noted that as cost data is kept confidential by most companies many Member States are of the view that the use of cost categories has been an academic exercise as there has been no uniformity in the assumptions made. The CRIRSCO representative advised that the Bridging Document allows users to move information from UNFC-2009 to the Red Book, however in order to move from the Red Book to UNFC-2009 users must go through the CRIRSCO Template in order to ensure the quality of the bridging.

22. It was observed that the removal of cost categories should not diminish the mapping in any manner. Rather the cost categories will lose relevance in due course. The agreement indicates a lessening of opposition in general in the Uranium Group to UNFC-2009. Assuming the revised version of the Bridging Document is agreed, the next step would be to develop guidelines (a guide book) for actual application.

23. The Bureau noted its appreciation for the work of the Task Force.

Item 8: Update on Task Force on UNFC and Injection Projects

24. The Minutes of the 18 September Task Force meeting in Paris and the Task Force call of 31 October were circulated to the Bureau on 29 November.

25. The Task Force circulated a survey on possible application of UNFC-2009 to Injection projects on 26 November to more than 55 experts identified by Task Force members.

26. Following introduction by Tim Smith, Scott Frailey (a Senior Reservoir Engineer with Illinois State Geological Survey) has now been invited to join the Task Force. Scott was looking to develop a classification system for CO₂ storage.

27. A Bureau member requested that there be collaboration between the Task Force and SPE should SPE decide to progress any work on CO₂ storage.

28. The Bureau noted its appreciation for the work of the Task Force.

Item 9: EGRC Fifth Session, 29 April - 2 May 2014

(i) Revised List of Proposed Items for Provisional Agenda

Attachment: Revised list of proposed items for provisional agenda

29. The revised list of proposed items for the provisional agenda for the Expert Group fifth session was reviewed. Following feedback on the first list circulated, there are now separate agenda items proposed on solid minerals, petroleum, renewables and injection projects. Application to nuclear fuel resources was proposed under “other applications”, however there was unanimous support from Bureau members for making this an agenda item in its own right.

30. During a discussion with a number of EGRC experts related to the implementation of UNFC-2009 in India, it was proposed that it would be useful to include an agenda item on environmental and social issues with an outside speaker invited to open the discussion. There was unanimous support from Bureau members for including this as an agenda item. Bureau members observed that the topic had generated significant interest and discussion at the fourth session. Discussion as to how environmental and social issues might be included more explicitly in the next revision of the UNFC would be useful.

31. Following the feedback and interest in the application of UNFC-2009 to renewables generated by the Workshop on Defining Renewable Energy Reserves held on 21 November as part of the Total Energy USA conference, there was consensus amongst the Bureau members on including an agenda item on “UNFC delivering on Sustainable Energy for All (SE4ALL)”.

32. A draft annotated agenda will be prepared for discussion during the next Bureau call.

Item 10: Education and outreach

Attachment: List of events as at 25 November 2013

(i) General Update & List of Events

33. A revised list of events as at 25 November was circulated with the draft agenda for the call. The UNFC has been presented at almost 50 events in 2013. It was noted that the Communications Sub-Committee (CSC) met on 2 December. Amongst a range of issues, the CSC is working to increase the pool of speakers who could deliver on UNFC and on the creation of a set of standard presentations in order to ensure that a consistent message on UNFC is delivered worldwide. The look, feel and message delivered by such standard presentations were noted to be important. Presenters will though be able to adapt the presentations to suit their style and the audience etc.

34. A Bureau member noted that the City of London Geoscience Forum has expressed an interest in a lecture on the UNFC.

35. Bureau members observed that many presentations are being delivered globally but in a number of cases it is not known what is included in the presentations. A proposal was put forward that once the standard presentations are finalized, the Bureau should explore putting a “stamp of approval” on all officially approved presentations. A question was also raised as to whether there should be a similar presentation approval process for UNFC as that followed by the Joint Committee on Reserves Evaluator Training (JCRET, <http://www.jcret.org/>). A Bureau member put forward the possibility of the remit of JCRET being expanded to cover UNFC and the CRIRSCO Template but this was thought to be unlikely. JCRET was formed exclusively by the PRMS partners and could perhaps offer a useful model or concept for the EGRC to follow.

36. It was agreed that whilst it would be very useful for any amended version of the standard UNFC presentations to be approved, this would create extra work and it was not clear who the ‘approvers’ would be. The Bureau could be tasked with this to begin with but a dedicated group/body would need to be established over the longer term.

37. There was also discussion on the possibility of consultancy firms being invited to train on UNFC.

(ii) Update on selected events

38. A number of events were highlighted:

- (a) **Resource Classification Meeting with Government Officials and Advisors, 28 October, Havana, Cuba:** a series of presentations on UNFC-2009 was delivered by Per Blystad, Norwegian Petroleum Directorate. Mr Blystad’s participation was funded by the Norwegian Oil for Development Programme. The presentations were well-received and it is likely that representatives of the Cuban Ministry of Energy and Minerals will attend the EGRC fifth session. Cuban experts are working on classification of mineral water and expressed interest in the use of UNFC for this purpose.
- (b) **Conference on “Sustainable Mining and UNFC – Challenges and Opportunities in India”, 29–30 October, New Delhi, India:** the event was attended by some 230 Indian experts. India has committed to apply UNFC-2009 at the national level to all extractive activities and is working in the first instance to implement UNFC-2009 to solid minerals with the assistance of the World Bank and the EGRC.
- (c) **Workshop "Defining Renewable Energy Reserves" (during Total Energy USA Conference), 21 November, Houston, USA:** the workshop was hosted by DuPont. Extremely positive feedback was received on the application of UNFC-2009 to renewables, including interest from senior officials involved with the UN Sustainable Energy for All (SE4ALL) initiative (including Mr. Kandeh Yumkella, Special Representative of the UN Secretary-General and Chief Executive of SE4All and Mr. Chad Holliday, Chairman, Bank of America, and Chair, SE4ALL Executive Board).
- (d) **IAEA Regional Workshop on “Uranium Exploration and Resources in Africa: Challenges and Opportunities”, 25–29 November, Lilongwe, Malawi:** organized by the IAEA, the event was well-received. Julian Hilton delivered presentations on UNFC on behalf of UNECE/EGRC.

Item 11: Any other business

(i) Revised Communications Sub-Committee (CSC) Terms of Reference

39. It was noted that revised Terms of Reference for the CSC were circulated to the Bureau on 2 December. Subject to the addition of a paragraph related to the reporting arrangements for the CSC, the revised text will be circulated to the Bureau with a two-week comment period.

(ii) PRMS Update and EGRC Involvement

40. The Chair advised that SPE is starting to look at updating the PRMS – there is normally a seven year interval between updates. The Chair indicated that in view of the UNFC-2009 and PRMS linkage it would be key for the EGRC to participate in the update either directly or as an observer and he would follow-up with SPE accordingly, noting that this arrangement is provided for in the Memorandum of Understanding with the SPE.

(iii) UNFC and IEA World Energy Outlook 2013

41. The IEA representative advised that UNFC-2009 is referred to in the recently released World Energy Outlook 2013. She indicated she would provide the UNECE secretariat with an extract of the relevant text which could then be posted to the UNFC web pages.

(iv) Meeting between IEA and Incoming SPE President

42. The IEA representative noted that she would be meeting the following week with the incoming SPE President and requested advice on any feedback related to the EGRC that she could usefully provide to him. Two issues were raised (a) the Bureau is working to formalize the status of the EGRC within the OGRC, and (b) EGRC is working on storage of carbon dioxide.

Item 12: Timing of next meeting

43. The next Bureau calls will be held during the last two weeks of January 2014. The usual availability notice will be circulated.
