

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

From: David MacDonald and Charlotte Griffiths

**Conference Calls with the Bureau of the
Expert Group on Resource Classification (EGRC)
3pm 22 April 2014 (BST)
FINAL MINUTES**

Present on 3pm Call:

1. David MacDonald (Chair)
2. Dan Diluzio (SPE)
3. Roger Dixon (CRIRSCO)
4. David Elliott (financial reporting sector)
5. Kjell Reidar Knudsen (Norwegian Petroleum Directorate)
6. Michael Lynch-Bell (Chair Ex-officio)
7. Jim Ross (petroleum sector)
8. Tim Smith (SPEE)
9. Brad van Gosen (USGS)
10. Charlotte Griffiths (UNECE)

Apologies:

1. Karin Ask (petroleum sector)
2. Fatih Birol (IEA)
3. Mucella Ersoy (Turkish Coal Enterprises)
4. Adichat Surinkum (CCOP)
5. Hari Tulsidas (IAEA)

Draft agenda

1. Approval of draft agenda
2. Draft minutes of 24-25 March 2014 Bureau Calls
3. Bureau membership and nominations
4. EGRC Fifth Session Update
5. Financial Reporting Discussion Note
6. TAG update
7. Update on Application of UNFC-2009 to Renewable Energy Resources
8. Update on Application of UNFC-2009 to Injection Projects
9. Education and outreach
10. Any other business
11. Timing of next meeting

Supporting Documentation

- (i) Draft agenda for Bureau Calls on 22 April 2014
- (ii) Draft Minutes of 24-25 March 2014 Bureau Calls
- (iii) Bureau Nominations as at 14 April
- (iv) EGRC Fifth Session Detailed Timeline as at 14 April
- (v) EGRC Fifth Session Draft Conclusions & Recommendations as at 14 April
- (vi) Discussion Note: UNFC Financial Reporting prepared by David Elliott
- (vii) Draft Renewables Specifications as at 14 April
- (viii) List of Conferences Promoting UNFC in 2014 and 2015 (as at 4 April 2014)

1. The Chair advised the the scheduled 9am BST Bureau call was not held due to lack of participants.

Item 1: Adoption of the Agenda

Attachment: Draft agenda for Bureau Calls on 22 April

12. The agenda was adopted without amendment.

Item 2: Draft Minutes of Bureau Calls of 24-25 March 2014

Attachment: Draft Bureau Minutes of 24-25 March 2014 Calls

3. The draft minutes were approved without amendment.

Item 3: Bureau Membership and Nominations

Attachment: Summary table of Bureau nominations as at 14 April

4. The Chair summarized the nominations received to date, noting that there are currently 17 nominations. He summarized the new nominations: Igor Shpurov of the GKZ of the Russian Federation as First Vice Chair, Professor Gioia Falcone to represent renewables and academia, John Ritter to represent SPEE and Danny Trotman to represent the financial reporting sector. The Chair thanked the existing Bureau members for whom nominations have been submitted for them to continue on the Bureau. The nominations represent a good mix of minerals, uranium and petroleum with the addition of renewables. The four UNFC stakeholder groups are also well represented: governments, industry, international organizations and financial reporting. In terms of geographical representation, Africa and the Americas apart from North America (i.e. Central, South and Latin America) remain unrepresented. The Mexican National Hydrocarbons Commission has indicated it hopes to submit a nomination in 2015. Efforts are being made to identify an expert to represent African countries.

5. The European Commission (DG Enterprise and Industry) is considering submitting a nomination.

6. It was noted that nominations might also be received in the meeting room.

7. The full slate of nominations will be presented by the secretariat to the EGRC on 30 April. It will then be proposed to hold the elections as the first agenda item on Friday 2 May.

8. The Chair noted with regret that Leesa Carson and Tim Smith are both stepping down from the Bureau. Leesa has been a member of the Bureau since 2012, during which time she has been supported by Yanis Miezitis. The Bureau placed on record its sincere thanks and appreciation to both Leesa and Yanis. Tim has been a member of the Bureau since 2010 representing SPEE. The Bureau placed on record its sincere thanks and appreciation to Tim.

Item 4: EGRC Fifth Session Update

Attachments: EGRC Fifth Session Detailed Timeline as at 14 April

EGRC Fifth Session Draft Conclusions & Recommendations as at 14 April

(a) UNFC Workshop, 29 April

9. The programme has been finalized and posted to the UNECE website. The Chair will moderate the event and be supported by Karin Ask, Dan Diluzio, Norbert Dolle and Roger Dixon as speakers. Some 50 participants are anticipated.

10. Jim Ross has prepared a series of standard UNFC presentations. A large number of the slides prepared will be used/tested at the Workshop. Jim was thanked for his significant efforts.

(b) Detailed timeline

11. A draft timeline has been circulated to all participants and updated versions are posted regularly to the UNECE website. Requests to deliver presentations continue to be received. Efforts are being made to ensure that all presentations relate to mapping to and/or testing of UNFC-2009. A busy three days is anticipated hence the Chair will need to be strict on time whilst still ensuring there is time for discussion.

(c) Draft Conclusions and Recommendations

12. The draft conclusions and recommendations, as approved by the Bureau, were circulated, in line with UNECE required procedures and practices, to UNECE member States on 16 April. They are also now posted to the UNECE website as an unofficial room document.

13. The recommendation relating to groundwater has been removed (to keep UNFC as an energy and mineral system at its core), but can be added again if there is a request from experts during the meeting.

14. As per the EGRC fourth session, the draft conclusions and recommendations will be shown on the screen after discussion of each agenda item is finished. The text will then be modified on the screen as needed.

15. The Chair noted that a Bureau member had raised a number of comments regarding an earlier draft of the conclusions and recommendations and that these had been addressed. No concerns or additional comments were raised by members on the call.

(d) Participants

16. Over 130 experts are currently registered. It is anticipated that not all will finally attend due to visa issues etc.

(e) Sponsors

17. A sponsor or co-sponsors are still being sought for the Cocktail Reception on 30 April. (E&Y and BP have both submitted internal requests). If no offers are received, consideration will be given to asking the coffee break sponsors to pool their funds to co-sponsor the reception instead.

18. Members noted with appreciation that Addax Petroleum, OXY and SPEE have offered to sponsor coffee breaks.

Item 5: Financial Reporting Discussion Note

Attachment: Discussion Note: UNFC Financial Reporting prepared by David Elliott

19. The Chair introduced the discussion note on UNFC Financial Reporting prepared by David Elliott. David was thanked for preparing the note and for seeking input from Professor Thomas Schneider of the University of Alberta.

20. The Chair noted that “*UNFC-2009 been designed to meet, to the extent possible, the needs of applications pertaining to energy and mineral studies, resources management functions, corporate business processes and **financial reporting standards.***”

21. A number of Bureau members requested clarity on the note and its objectives and questioned the need for further work by the Bureau and the EGRC on financial reporting, as well as the Financial Reporting Task Force that is proposed in the note.

22. The Chair emphasized that UNFC is not a financial reporting tool, but provides part of the information that is, or can be, used for making financial decisions. The objective of the proposed review is: to define what are the needs of the financial reporting sector; to determine to what extent UNFC meets its objective of addressing those needs; and to identify additional guidance or other activity that may be required in order to satisfy the financial reporting standards objective of UNFC.

23. Following this clarification all members with the exception of the representative of CRIRSCO were in agreement that exploratory work should go ahead. The CRIRSCO representative confirmed that in his view there is no need for any further work on financial reporting.

24. One of the financial reporting stakeholder representatives on the Bureau expressed the view that such work could potentially help to stop the proliferation of standards and help to promote consistent application of existing standards.

25. There was consensus that a scoping paper/draft Terms of Reference should be developed for future Bureau consideration by David Elliott with the support of the representatives of CRIRSCO and SPE, as well as the financial reporting representatives on the Bureau. The scoping paper should clearly set the boundaries for the work to be considered by any future EGRC financial reporting task force.

Item 6: TAG Update

26. The Technical Advisory Group (TAG) is developing its presentation to the EGRC. The TAG will meet at 8am on 30 April to finalize this and discuss further how the TAG will work.

27. The TAG is continuing to look at the mechanics of how bridging documents should be assessed as there is not yet agreement on this amongst TAG members. Some view that mapping is needed to understand if the bridging is creating any conflicts with the commodity specific systems of the CRIRSCO Template and PRMS. Others think that showing the mapping to one of these two systems is of value but is not essential. There is a common understanding in the TAG that terminology does not have to be harmonized as long as it maps to UNFC-2009 i.e. the purpose of UNFC is to achieve congruity in interpretation and representation in spite of terminology.

28. A concern was raised following circulation of the draft Conclusions and Recommendations for the EGRC fifth session that too much work is being given to the TAG. One of the recommendations is that the Uranium Task Force should end once the bridging document is finalized and a member questioned whether the Task Force should continue.

29. During the ensuing discussion, it was noted that Uranium Task Force should remain in place until the Bridging Document it has developed is endorsed. It was also noted that IAEA is starting work on development of guidelines for application of UNFC to uranium and thorium projects and there would be a role for the Task Force to pursue this work. It was agreed that the draft Conclusions and Recommendation relating to the Uranium Task Force should be amended accordingly.

30. Bureau members also agreed that the TAG is essentially acting as a “clearing house” whereby it can set up sub-groups of experts to focus on a specific task; the intent is and has never been for the TAG members to undertake all the work. Bureau members emphasised the need for the TAG to request assistance as and when needed.

31. The Bureau noted with appreciation the progress being made and thanked the TAG for its continued efforts.

Item 7: Update on Task Force on Application of UNFC-2009 to Renewable Energy Resources

Attachment: Draft Renewables Specifications as at 14 April

32. The draft Renewables Specifications as at 14 April were circulated with the draft agenda for the call. Comments were requested from members before or during the Bureau Calls. It was noted that no written feedback had been received prior to the call.

33. Bureau members approved the draft Renewables Specifications for circulation as an unofficial working document for the EGRC fifth session. It was noted that the document will be presented by the Renewables Task Force to the EGRC on 1 May.

34. Further to the last Bureau call and following the Workshop in Washington, the Task Force has recommended that the draft specifications should not be finalized until the renewable technology specific specifications are finalized in case an issue arises during their development that would require a change to the “generic renewable” specifications. It is proposed that the package of renewables documents should only be submitted to the UNECE Committee on Sustainable Energy once all the documents are final. It is hoped that all documents will be agreed by the EGRC at its sixth session in order to allow submission to the Committee on Sustainable Energy at its meeting in November 2015.

35. It was noted that progress is being made on the draft MoU with the International Geothermal Association.

36. The Bureau expressed appreciation for the progress made and thanked the Task Force for its continued efforts.

Item 8: Update on Application of UNFC-2009 to Injection Projects

37. A draft document “Classification of injection projects and possible application of UNFC-2009” was circulated to the Bureau by the Chair of the Injection Projects Task Force on 31 March with a request for feedback by 11 April. Bureau members approved the final draft for submission as an unofficial working document for the EGRC fifth session. The document will be presented to the EGRC by the Chair of the Task Force.

38. The Bureau noted with appreciation the quality of the document prepared by the Task Force and thanked the Task Force for its efforts.

Item 9: Education and Outreach

Attachment: List of events at which UNFC will be presented as at 4 April 2014

39. The list of conferences promoting UNFC in 2014-2015 was reviewed.

40. The Communications Sub-Committee (CSC) met on 4 April during which discussion focussed on the need for standardized training and how this could be best achieved without any extrabudgetary funding. Two standard UNFC presentations prepared by Jim Ross were reviewed and approved by the CSC.

41. The CSC will next meet in Geneva on 30 April.

Item 10: Any Other Business

42. David Elliott provided an update on the SPEE/COGEH resources other than reserves draft guidelines, noting that the current draft numbers eighty pages.

Item 11: Timing of Next Meeting

(i) Bureau Working Dinner on Tuesday 29 April

43. The Bureau will meet for a working dinner at 1900 hours on Tuesday 29 April at the Restaurant Point du Jour. Details of the restaurant will be circulated.

(ii) Meeting on Thursday 1 May

44. The Bureau will meet at 1800 hours on Thursday 1 May in meeting room VII at the Palais des Nations, Geneva. The objective of the meeting is to discuss any issues relating to the draft conclusions and recommendations, election of the Bureau and the draft EGRC fifth session meeting report. The Chair urged that every effort be made to finalize and approve the meeting report before the EGRC fifth session finishes on 2 May.
