

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 held jointly with the Specifications Task Force
Phase Two
9am and 3pm 21 November 2012 (UK time)
FINAL MINUTES (approved on 18-19 December 2012)**

Present on 9am Call:

1. David MacDonald (Chair)
2. Leesa Carson (GeoScience Australia)
3. Kjell Reidar Knudsen (Norwegian Petroleum Directorate)
4. Yanis Miezitis (GeoScience Australia)
5. Jim Ross (petroleum sector)
6. Danny Trotman (financial reporting sector)
7. Hari Tulsidas (IAEA)
8. Charlotte Griffiths (UNECE)

Present on 3pm Call:

1. David MacDonald (Chair)
2. Paul Bankes *representing* Roger Dixon (CRIRSCO)
3. Dan Diluzio *representing* Rawdon Seager (SPE)
4. David Elliott (financial reporting sector)
5. Michael Lynch-Bell (Chairman Ex-officio)
6. Jim Ross (petroleum sector)
7. Tim Smith (SPEE)
8. Brad Van Gosen (USGS)
9. Charlotte Griffiths (UNECE)

Apologies:

1. Karin Ask (petroleum sector)
2. Fatih Birol (IEA)
3. Roger Dixon (CRIRSCO)
4. Mucella Ersoy (Turkish Coal Enterprises)
5. HE Qingcheng (CCOP)
6. Grigoriy Malukhin (Russian Working Group)
7. Yuri Podturkin (Russian Working Group)
8. Rawdon Seager (SPE)

Draft Agenda

1. Approval of Draft Agenda
2. Draft Minutes of Bureau call of 20 September 2012 (as circulated 11 October 2012)
3. Draft Specifications Public Comment Update
4. Draft Terms of Reference for Technical Advisory Group
5. Use of Company Logos in Presentations at EGRC Meetings
6. Agenda for EGRC Fourth Session
7. Events Update
8. Review of UNECE Reform of 2005 Update

9. Timing of Next Bureau and STF-2 Calls
10. Any Other Business

1. The Chair confirmed that the calls were being held jointly with the Bureau and the Specifications Task Force Phase 2 (STF-2).

Item 1: Adoption of the Agenda

2. The agenda was adopted without amendment.

Item 2: Draft Minutes of Bureau Calls of 20 September 2012

3. The draft minutes were approved without amendment.

Item 3: Draft Specifications Public Comment Update

4. The Chair advised that three comments have been received to date and that these comments are posted to the UNECE website. The comments largely provide opinions on the broader application of the UNFC.

5. The efforts to promote the public comment period were summarized:

- (a) UNECE issued a Press Release on 22 October 2012, which was picked up by “equities.com”, a global financial network.
- (b) The European Federation of Geologists issued an article in the November edition of its monthly newsletter, GeoNews.
- (c) CCOP has circulated details to its member countries.
- (d) Details have been circulated to the SPE Oil and Gas Reserves Committee.
- (e) The EGRC Chair submitted a message to the SPE Reserves and Economics Technical Interest Group online discussion forum in early November.
- (f) Speakers have promoted details at the events recently held in Mexico, Lisbon, London, and Brussels.
- (g) The draft specifications are tabled as an agenda item for the meeting of the SPEE European Chapter, London, 3 December.

6. A reminder message will be sent to the full EGRC mailing list around two weeks before the comment period ends.

Item 4: Draft Terms of Reference for Technical Advisory Group

7. The Chair of the Technical Advisory Group (TAG) Task Force was not able to join the calls due to prior commitments.

8. The draft Terms of Reference prepared by the Task Force were circulated to the Bureau prior to the calls. A number of Bureau members submitted comments to this draft text immediately prior to the call. The Chair observed that most of the comments received were in agreement. It was also noted that the Chair of the Task Force had advised he was generally in agreement with these comments.

9. Discussion focussed on the following key issues raised in the written comments provided by Bureau members:

- (a) Audience: the issues of to whom, and for what purpose the TAG will be providing advice were raised.
- (b) Resources and budget: many members were of the view that the TAG will not be able to carry out its tasks without funding. This was discussed in detail and, in particular, that any funding should be independent and from more than one donor. Any funding would need to follow UN rules and guidelines. One member indicated that the IAEA is ready to commit funding to the UNFC reflecting the good internal support for it at IAEA.
- (c) Scope: a number of members noted that the Terms of Reference should include the TAG's responsibility for reviewing draft Bridging Documents.
- (d) Voting: a number of members were of view that the TAG should operate on consensus since its parent body, the EGRC, operates in this way.
- (e) Size: there were differing views on this issue. A number of members expressed the view that a membership of 15 was too large to be manageable and ensure timely feedback. Others were of the view that all UNFC stakeholders should be represented in the TAG and that a membership of 15 would offer a large enough pool of experts to ensure that the necessary work was undertaken.
- (f) Terms for Chair and Other Members: a number of members expressed the opinion that the terms for the Chair and the other members of the TAG should be the same. Many members were in favour of this term being three years.

10. A member indicated that he would provide feedback in writing on behalf of his organization.

11. The Chair undertook to provide feedback to the Chair of the TAG Task Force on the issues raised. The Chair of the Task Force will be invited to join the next Bureau call.

Item 5: Use of Company Logos in Presentations at EGRC Meetings

12. The Chair referred to the discussions during the Bureau call of 20 September 2012 and quoted the relevant paragraph from the minutes of that meeting: *“Paragraph 7: A proposal was made by one member that individuals making presentations at Expert Group meetings in Geneva should not be permitted to “advertise” their company by identifying it on their PowerPoint slides. However, since all EGRC presenters are volunteers, and their own company/organization is usually paying the cost of their participation in the meeting, as well as providing them with the time to prepare and make the presentation, this proposal was thought likely to be unacceptable to some members. As the issue was not discussed on both calls it was agreed to put it on the agenda for the next call.”*

13. During a detailed discussion, many members noted that neither inappropriate use of company logos nor inappropriate sales pitches had been observed at any EGRC meetings to date. Many members also noted that the use of company logos provided a valuable acknowledgement and recognition of the time, travel costs and effort provided on a voluntary basis by companies to the Expert Group. The added value given to the work on the UNFC by experts being able to identify which companies and organizations were involved was also raised. It was proposed that presentations should be submitted to the secretariat in advance of the meeting for review, however this was agreed to be impracticable as many presentations are only finalized shortly before delivery.

14. Whilst one member was in favour of the logo been displayed on the opening slide only, there was general consensus that the use of company logos was acceptable on all slides of any presentations delivered at EGRC meetings.

15. It was agreed that if inappropriate use of company logos is seen to occur at a future EGRC meeting then the situation will be reviewed.

Item 6: Agenda Items for EGRC Fourth Session

16. The Chair referred to the draft list of agenda items circulated prior to the call. The list covered the following items:

- (a) Adoption of the agenda
- (b) Officers
- (c) Activities and priorities of the Committee on Sustainable Energy and any matters for consideration by the Expert Group in light of the review of the UNECE Reform of 2005
- (d) Review of the programme of work for 2012-2013
- (e) Specifications for the UNFC
- (f) Use of the UNFC for classifying injection projects.
- (g) Status of the development of other applications of the UNFC
 - (i) Application to nuclear fuel resources
 - (ii) Application to renewable energy resources
 - (iii) Other applications
- (h) Case studies
- (i) Education and outreach
- (j) Update on financial reporting
- (k) Programme of work for 2013-2014
- (l) Other business
- (m) Report of the meeting

17. It was noted that the items circulated are not listed in the order that they might be addressed during the meeting – once the list of items is agreed upon a draft annotated agenda will be prepared and circulated for comment and approval. The time allocated to each item will also be agreed upon by the Bureau as per normal practice. When the annotated agenda is approved, a detailed timeline will be prepared and circulated for discussion and approval. The timeline will clearly show the amount of time allocated to each agenda item. The ordering of agenda items in the timeline will also take into account speakers' availability.

18. On the issue of renewables, one member questioned whether the EGRC is the appropriate forum to be discussing this topic as the UNFC applies to fossil energy and mineral reserves and resources. The Chair noted that the focus of the Group is on “resource classification” as per the name of the Group.

19. A number of members raised concerns regarding the need to accomplish and finalize the current priorities, notably the generic specifications and the commodity-specific specifications for oil and gas and solid minerals. The Chair assured the Bureau that the priority for the EGRC is the finalization of these specifications and adequate time would be allocated to this agenda item. Any discussions relating to the use of the UNFC for classifying injection projects and the status of the development of other applications of the UNFC would be for members' information. Many members noted that there was increasing interest from EGRC members in the application of the UNFC to nuclear fuel and renewable energy resources.

20. One member requested that adequate time be allocated during the meeting to the conclusions.

21. Following discussion, all the items on the draft list were agreed for inclusion. It was noted, however that an agenda item on the TAG was needed.

Item 7: Events Update

(a) UNFC Workshop, Mexico City, 27-28 September

22. Held back-to-back with the SPE events in Mexico City, 24-26 September, this was a well-attended and well-represented workshop with senior level participation from the Ministry of Energy, National Hydrocarbons Commission and the Mexican Geological Survey. Discussion on the UNFC was positive and a pilot study will be undertaken in Mexico. A joint petroleum and minerals response to the draft specifications will be submitted by Mexico.

(b) IAEA-CYTED-UNECE Workshop, Lisbon, 15-18 October

23. The event was attended by a broad cross-section of attendees from more than 25 countries. Discussions highlighted the need for the UNFC for nuclear fuel resources. A number of representatives presented case studies on the UNFC. IAEA has recently issued a news item on the event that features prominently on the IAEA website. IAEA is developing a draft Bridging Document.

(c) Renewable Reserves Workshop, London, 31 October-1 November

24. This was organized by the Renewable Reserves Working Group, which is an industry-led initiative. The participants, who included representatives from Governments, industry, investors, auditors and academia, assessed classification systems for classifying renewable resources and concluded that the UNFC was an appropriate tool. A small Task Force will develop generic specifications for renewables, as well as one or two technology-specific sets of specifications e.g. for biofuels and wind or hydro. The intent is to present the outcome of this work to the meeting of the EGRC in April 2013.

25. The Bureau was advised that the presentations and other relevant documents for the three workshops (a) to (c) are posted to the UNECE website.

(d) Others

26. A presentation on the UNFC was delivered at the Plenary Meeting of the Raw Materials Supply Group of the European Commission Directorate General for Enterprise and Industry in Brussels, 12 November. Care was taken to explain the relationship between the UNFC and the CRIRSCO Template. EU Member States will be given one month by the EC to provide their positions on the UNFC.

27. The following two IAEA international training courses include sessions on the UNFC:

- “Uranium deposit models and exploration”, 12-16 November, Beijing, China; and
- “Uranium production from phosphate rocks”, 10-14 December, Amman and Aqaba, Jordan.

28. The Chair Ex-officio will deliver a presentation on the UNFC to the Committee on Sustainable Energy, Geneva, 28-29 November 2012.

29. A presentation on the UNFC has been invited at the Hanson Wade European Unconventional Reserve Estimation Conference, London, 12-15 March 2013.

Item 8: Review of UNECE Reform of 2005 Update

30. The review of the UNECE Reform of 2005 by the UNECE Executive Committee (EXCOM) is on-going. As per previous advice to the Bureau and EGRC, all programmes at UNECE are being reviewed including the Expert Group and its work on the UNFC. In order to advance the review of the programme of work on energy carried out by the Sustainable Energy Division, EXCOM has been holding regular informal consultations specifically on energy. A number of countries have been highly supportive of the UNFC, including Norway, Russian Federation, Turkey, Ukraine and the United States. It is anticipated that a draft text on the energy programme will be finalized in time for review by the Committee on Sustainable Energy at its annual meeting, 28-29 November. If the Committee endorses the text it will be discussed and approved at the session of the UN Economic Commission for Europe that will take place in Geneva, 9-11 April 2013.

Item 9: Timing of Next Bureau and STF-2 Conference Calls

31. It was agreed that the next Bureau call will be held during the week of 17 December in order to advance issues related to the April 2013 meeting of the EGRC and the draft Terms of Reference for the TAG. As the public comment period ends on 22 December, the next STF-2 call will be held in early January. Availability messages will be circulated as per usual practice.

Item 10: Any Other Business

32. The Chair sought advice as to when SPE comments on the draft PRMS Bridging Document can be expected. The representative of SPE advised that comments will be forthcoming; he also confirmed that they will not be provided via the public comment process currently underway but directly to the STF-2.
