

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

From: David MacDonald, Jim Ross and Charlotte Griffiths

**Conference Calls of the Bureau of the Expert Group on Resource Classification (EGRC)
24 and 25 June 2014
FINAL MINUTES**

Present on 3pm BST 24 June Call:

1. David MacDonald (Chair)
2. Tunde Arisekola (NGSA)
3. Paul Bankes *representing* Roger Dixon (CRIRSCO)
4. David Elliott (financial reporting sector)
5. Gioia Falcone (geothermal sector and academia)
6. Jim Ross (petroleum sector)
7. Narendra Verma (India)
8. Claudia Wulz (EC)
9. Charlotte Griffiths (UNECE)

Observer:

1. Slavko Solar (EC, *supporting* Claudia Wulz)

Present on 9am BST 25 June Call:

1. Jim Ross (Chair) (petroleum sector)
2. Tunde Arisekola (NGSA) (part-time)
3. Per Blystad *representing* Kjell Reidar Knudsen (NPD)
4. Simplicio Caluyong *representing* Adichat Surinkum (CCOP)
5. Shakhbulat Girov *representing* Igor Shpurov (GKZ Russian Federation) *from 9.50 am BST*
6. Charlotte Griffiths (UNECE)

Apologies:

1. Karin Ask (petroleum sector)
2. Fatih Birol (IEA)
3. Dan Diluzio (SPE)
4. Roger Dixon (CRIRSCO)
5. Mucella Ersoy (Turkish Coal Enterprises)
6. Michael Lynch-Bell (Chair ex-officio)
7. Kjell Reidar Knudsen (NPD)
8. John Ritter (SPEE)
9. Igor Shpurov (First Vice Chair, GKZ Russian Federation)
10. Adichat Surinkum (CCOP)
11. Danny Trotman (financial reporting sector)
12. Hari Tulsidas (IAEA)
13. Brad van Gosen (USGS)

Draft Agenda for Bureau Calls 24-25 June 2014

1. Approval of draft agenda
2. Draft minutes of Bureau meeting, Geneva, 1 May
3. Functioning of the Bureau and minutes of meetings
4. EGRC Fifth Session debrief
5. Technical Advisory Group update
6. Update on Application of UNFC-2009 to Renewable Energy Resources

7. Update on Application of UNFC-2009 to Nuclear Fuel Resources
8. Update on Application of UNFC-2009 to Injection Projects
9. Guidance on environmental and social considerations
10. EGRC resourcing strategy
11. Education and outreach
12. Any other business
13. Timing of next meeting

Documentation:

1. Draft agenda for Bureau Calls on 24-25 June 2014
2. Draft Minutes of 1 May 2014 Bureau Calls
3. Minutes of TAG meeting of 30 April 2014
4. Minutes of Renewables Task Force call of 9 May 2014
5. List of Conferences Promoting UNFC in 2014 and 2015 (as at 19 June 2014)

1. The Chair noted that he may be unlikely to Chair the call on 25 June and members agreed to the proposal that Jim Ross Chair the call if needed.

2. The Chair congratulated Bureau members on their election and welcomed them to the first meeting.

Item 1: Adoption of the Agenda

Attachment: Draft agenda for Bureau Calls

3. The agenda was adopted without amendment.

Item 2: Draft Minutes of Bureau Calls of 1 May 2014

Attachment: Draft Bureau Minutes of 1 May 2014 Calls

4. The draft minutes as circulated on 13 May were approved without amendment.

Item 3: Functioning of the Bureau and minutes of meetings

5. An overview was provided on how the Bureau functions, including its key role to oversee and progress implementation of the work plan of the EGRC between annual meetings.

6. Regarding the composition of the Bureau, 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 on the Bureau. The stakeholders include: governments (both UNECE and non-UNECE member states), industry/business/private sector, organizations involved with financial reporting, organizations involved with producing international energy and minerals studies, professional societies and individual experts. It has been previously agreed that the SPE OGRC and CRIRSCO each have one seat on the Bureau. Attention is also paid to ensuring good geographic spread, as well as balance with regard to representation from the minerals, petroleum and renewables sectors and academia. The Bureau can appoint additional “extended” members when required to fulfil certain tasks.

7. As per the Guidelines on procedures and practices for ECE bodies of April 2013, Bureau members serve for two years but this term can be renewed.

8. The Bureau works on consensus. There are no procedures for voting. Consensus in relation to the functioning of the Bureau is defined to mean general agreement, characterized by the absence of sustained opposition to substantial issues by any important part of concerned interests and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments. Consensus need not imply unanimity.

9. Elected Bureau members who are unable to participate in calls/meetings can nominate an “observer” to attend on their behalf.

10. Draft minutes of Bureau meetings are circulated following meetings/calls. Members are requested to provide advice of any needed amendments in writing prior to the call or verbally during the next meeting/call. Once the draft minutes have been approved by the Bureau they are posted to the UNECE website.

Item 4: EGRC Fifth Session Debrief

11. The Chair provided a short debrief on the EGRC fifth session, 28 April – 2 May. He noted there was a record participation, with more than 170 participants throughout the week. Members were thanked for their contribution and support prior to and during the week of meetings.

12. Positive feedback was received on the evaluation forms circulated during the UNFC workshop and EGRC meeting. There were numerous requests for more time for discussion. The Bureau noted that this would need to be taken into account when preparing the sixth session, however it would not be possible to make the meeting longer.

13. The Chair drew attention to the agreement on the five step document approval procedure which will allow the EGRC to work more effectively and efficiently. The approval procedure as contained in the fifth session report was quoted:

“Document approval procedure

- (i) Preparation of a draft document by “working group”. During preparation, the TAG should be involved in periodic review/consultation;
- (ii) The draft should be subject to a public comment period. Comments should be considered for possible inclusion and the draft modified as appropriate. Reasons for not acting on specific comments should be documented;
- (iii) The final draft should be presented to the Expert Group at its annual session. The Expert Group should request that the draft be submitted to the Technical Advisory Group for an appropriate level of review and for recommendation to the Bureau;
- (iv) Once agreed by the Bureau, any significant changes from the final draft will be sent to the Expert Group for agreement;
- (v) The agreed draft will be sent to the Committee on Sustainable Energy for endorsement.”

14. The Chair then drew attention to the Written Procedure that was also approved at the fifth session:

“Written procedure

The Expert Group agreed that, in order to expedite submission of documentation for endorsement by the Committee on Sustainable Energy it can work by written procedure subject to a minimum comment period of 21 days. No feedback is taken to be tacit approval.”

15. It was noted that this procedure could be used for technical/substantive outputs of the EGRC such as bridging or mapping documents, but not for procedural issues such as revising the Terms of Reference of the EGRC or development of Rules of Procedure for the EGRC.

Item 5: TAG update

Attachment: Minutes of TAG Meeting of 30 April

16. The Technical Advisory Group (TAG) met by conference call on 12 June. Discussion at this meeting focussed on a review of the action items for the TAG arising from the EGRC fifth session discussions. All TAG members have been assigned tasks.

17. As requested at the EGRC fifth session, the TAG has reviewed its Terms of Reference (ToR) and will recommend deferring any suggested revisions until it has had at least one year's experience under the current ToR. Bureau members agreed that this was a sensible approach.

18. TAG focal points have been nominated for the Task Forces on Application of UNFC-2009 to Renewable Energy Resources, to Injection Projects and to Nuclear Fuels with a view to ensuring good cooperation and communication. Contact has been made by the TAG focal points with the Chair of each of the Task Forces. There is no intent of the TAG "interfering" in the workings of the Task Forces but rather to ensure that the TAG keeps abreast of work being undertaken which will allow the TAG to be more efficient when it needs to review and analyze documents etc.

19. The TAG has completed its review of the November 2013 updates to the CRIRSCO Template in relation to the UNFC and CRIRSCO Template Bridging Document which is based on the Template of 2006. The TAG will submit its recommendations on this to the Bureau over the coming weeks.

20. The Bureau noted with appreciation the work of the TAG and the progress made and thanked the TAG for its continued efforts.

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

Attachment: Minutes of Renewables Task Force call held on 7 May 2014

21. The Chair noted that the Task Force continues to meet and communicate regularly.

22. Generic specifications for the application of UNFC to renewable energy resources were issued for public comment on 12 June. All Bureau members were requested to circulate advice on this to their constituencies. The specifications have been issued for comment for three months with a deadline for feedback of 12 September. A UNECE Press Release was issued to accompany the opening of the public comment period.

23. The Task Force has started to plan its work on development of commodity-specific specifications, including for geothermal, bioenergy and wind/solar/hydro and is currently defining the timeline for this Phase Two work of the Task Force. The Task Force aims to deliver at least one set of commodity-specific specifications by April/May 2015. The Task Force is also looking at the issue of ownership of the bioenergy and wind/solar/hydro specifications.

24. To facilitate development of the geothermal specifications, a Memorandum of Understanding is being developed between UNECE and the International Geothermal Association. This is along the same lines as the MoU in place with SPE, except the MoU will be established with UNECE and not the EGRC. There are no plans to update the MoU with SPE which is in place with EGRC.

25. The Bureau thanked the Task Force for its continued efforts.

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

26. The Chair drew attention to the work that the EGRC requested the Task Force to undertake and quoted from the EGRC fifth session report:

“The Expert Group requested the Task Force on the Application of UNFC-2009 to Nuclear Fuel Resources to update the Bridging Document between the NEA/IAEA Uranium Classification and UNFC-2009 in the light of the comments received during the fifth session. The final bridging document should be reviewed by the Technical Advisory Group and subsequently agreed by the Bureau of the Expert Group. Any significant changes will be agreed by the Expert Group following a written procedure, as outlined under the Conclusions and Recommendations for Item 24 “Other business”. Following this, the agreed document should be submitted to the Committee on Sustainable Energy at its twenty-third session in November 2014 for endorsement.”

27. The Task Force noted that no suggestions for improvement of the Bridging Document were received from EGRC before or during the EGRC meeting and in its view considers that the document has the approval of the EGRC.

28. Following a review of the Bridging Document by the TAG Chair and CRIRSCO representative it was suggested to add a glossary of terms to allow easy understanding of uncommon terminology. A draft glossary with definitions extracted for most part verbatim from the “Red Book” (NEA/IAEA Uranium Classification) has been developed by the Task Force Chair. The draft Glossary (two A4 pages) was circulated to the Task Force for review and feedback by 12 May. The proposal is to include this as an annex to the Bridging Document.

29. The TAG has accelerated its full review of the Bridging Document. A number of TAG members met with the Task Force Chair in Geneva on 2 May to review options. It was agreed that in order to expedite the TAG review, the Task Force would provide an informal advance draft of its Guidance document illustrating a mapping to the CRIRSCO Template and the key definitions so as to assist the TAG in verifying the Bridging Document. The information should be available by mid-July. The TAG plans to submit its recommendation to the Bureau in early August.

30. The Chair advised that if the Bridging Document including the Glossary is to be submitted to the Committee on Sustainable Energy for approval at its 23rd meeting (Geneva, 19–21 November), the document submission deadline is 8 September.

31. There was general consensus amongst Bureau members that the addition of a glossary was not a “significant” change to the Bridging Document i.e. it does not change how the document is applied and hence there would be no need to recirculate the document to the EGRC prior to submission as an official document for review by the Committee.

32. The CRIRSCO representative advised that it was his understanding that there may be additional changes to the Bridging Document that would constitute a “significant change”.

33. The Bureau noted that as it was also unclear what might be included in the TAG recommendation that will be submitted to the Bureau over the coming weeks, it would be useful to have a timeline highlighting the deadlines for all the steps needing to be undertaken to meet the 8 September submission deadline in the event a revised version of the Bridging Document needs to be sent to the EGRC for a 21 day comment period. The secretariat was requested to prepare this and submit it to the Chairs of the Bureau, TAG and Nuclear Fuels Task Force.

34. It was also noted that the EGRC at its fifth session recommended the development of guidelines for application of UNFC-2009 for uranium and thorium projects. This is planned for the next phase of work of the Task Force.

35. The Bureau thanked the Task Force for its continued efforts.

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

36. The Chair advised that the Chair of the Task Force on UNFC-2009 and Injection Projects is requesting feedback from the Bureau on what kind of document the Task Force should be working on i.e. a separate specifications document or a Glossary of Terms describing how the existing specifications should be interpreted for application to injection projects? The Task Force plans to discuss the way forward for its work during its call in early July and the Task Force Chair wanted to have the views of Bureau members prior to call, including if they prefer to leave it to the Task Force to conclude and recommend.

37. Most Bureau members were of the opinion that something more substantial than a Glossary of Terms is needed and recommended that the same approach as that taken by the Task Force on Renewables should be followed i.e. preparation of an interface document explaining how UNFC-2009 could be used for injection projects, together with a Glossary of Terms. A number of Bureau members were of the view that the Task Force should recommend an approach to the Bureau.

38. The Bureau thanked the Task Force for its continued efforts.

Item 9: Guidance on environmental and social considerations

39. The Chair drew attention to the recommendation of the EGRC on development of guidance on environmental and social issues and quoted the relevant paragraphs from the EGRC fifth session report:

“The Expert Group recommended the formation of a subgroup to the Bureau that should include representatives from a wide range of interested stakeholders from around the world. The Expert Group requested this subgroup to prepare guidance on accommodating environment and social considerations in “UNFC-2009 and the Specifications for its Application” (ECE/ENERGY/94 and ECE Energy Series No. 42) for the sixth session.

The Expert Group noted that environmental and social considerations involve many diverse and complex issues. Recognizing that a wide range of material is already available on these issues from a number of organizations, the Expert Group requested that any

guidance produced should revolve around high-level principles that are practical, useful and add value to UNFC-2009.”

40. During a detailed discussion, members agreed that it was important for the Bureau to be well-represented in the sub-group. Most members were of the view it would be preferable for a Bureau member to Chair the sub-group if there was a volunteer. It was noted that the Joint Secretary of the Ministry of Mines of India had expressed significant interest in joining and potentially leading this sub-group. Members were supportive of the Joint Secretary being involved and there were no objections to him potentially also chairing the sub-group. The EGRC Chair advised that in view of the importance of the issue he would participate in the meetings and conference calls of the sub-group.

41. Members emphasized the need for a series of objectives to be developed for the sub-group. David Elliott advised he would consider chairing the sub-group and also volunteered to develop draft objectives/terms of reference. Members emphasized the need for the sub-group to develop general guidelines i.e. not country specific guidelines.

42. Volunteers to chair and join the sub-group were requested to contact the Chair. The representative of the EC advised of his willingness to join the sub-group.

Item 10: EGRC resourcing strategy

43. The Chair drew attention to the request of the EGRC for the Bureau to develop a resource strategy and quoted the relevant paragraphs from the EGRC fifth session report:

“The Expert Group agreed to explore the most effective means of resourcing activities going forward and tasked the Bureau to develop a resource strategy for presentation to the sixth session. It is expected that the considerations will cover a range of alternatives that could include extrabudgetary funding, secondments, and outsourcing, among others, including in various combinations.”

44. The Chair proposed that he would take charge of this issue and would lead a sub-group – there were no objections to this proposal. The Chair will identify a number of Bureau members, including the representative of the EC, as well as members of the Bureau and the EGRC with experience in finance, to form a sub-group with the objective to develop a draft strategy paper for review by the Bureau. The Chair noted he would also seek the input of the Director of the Sustainable Energy Division.

45. Members emphasized the need to secure funding going forwards and noted that with the UNFC now operational securing funds might prove more successful than previous attempts. The need to avoid single source funding was highlighted in order to avoid the perception of undue influence.

Item 11: Education and outreach

Attachment: List of conferences at which UNFC presented/promoted as at 19 June

46. The list of conferences at which UNFC has or will be presented and/or promoted in 2014 and 2015 was reviewed. Members emphasized the importance of education and outreach now that UNFC is operational.

47. The Communications Sub-Committee is next meeting on 25 June.

48. Attention was drawn to a number of specific events:

(i) 21st World Petroleum Congress, Moscow, 15–19 June 2014

49. A special session on Reserves and Resource Classification and Reporting was organized on 16 June that was moderated by the EGRC Chair. The four key UNFC stakeholder groups were represented on the panel. There were approximately 60 participants, which was high compared to similar sessions, and all stayed throughout the session.

50. The Chair advised that he met with a number of Bureau and EGRC members whilst in Moscow.

(ii) IAEA International Symposium on “Uranium Raw Material for Nuclear Fuel Cycle: Exploration, Mining, Production, Supply and Demand, Economics and Environmental Issues” (URAM 2014) Vienna, 23–27 June

51. URAM 2014 was organized by IAEA in cooperation with UNECE, the OECD Nuclear Energy Agency and the World Nuclear Association. The Director of UNECE’s Sustainable Energy Division delivered a presentation on the UNFC in the high-level opening session. All the copies of the UNFC and Specifications publication made available at the event were taken by participants. Mr. Foster also met with the Deputy Director General of IAEA together with the IAEA representative on the Bureau. During the meeting the possible use of UNFC for storage of spent nuclear fuel was raised, as well as the need for extrabudgetary funds to support the UNFC education and outreach programme.

(iii) IAEA-UNECE Regional Workshop on “Application of United Nations Framework Classification-2009 (UNFC-2009) for Uranium Projects”, Johannesburg, 10-14 November

52. The workshop will be important for the African region and it is anticipated that some 30 African countries will be represented thanks to the financial support of IAEA. It was noted that the support of CRIRSCO representatives in South Africa will be needed. The CRIRSCO representative undertook to follow-up on this.

(iv) UNFC Workshop for Minerals and Oil & Gas (CCOP, Department of Mineral Resources (DMR) and Department of Mineral Fuels), Bangkok, 26–28 November 2014

53. The representative of CCOP advised that due to the change of Government in Thailand, government funding for the event is now uncertain. The possibility to hold the workshop in China with funding from the Government of China is currently being explored.

(v) UNFC-2009 Workshop, New Delhi, India, January 2015

54. This event will be organized by the Association of Petroleum Geologists of India. The Indian representative on the Bureau was requested to provide details of any progress made.

55. Members requested an update on the status of the standard presentations on UNFC that are being developed. The Communications Sub-Committee has reviewed and approved the first two standalone presentations (30 and 50 minutes in length) developed by Jim Ross. The series of presentations for a one day workshop are in progress. Jim Ross was thanked for his work.

56. The representative of GKZ advised that a conference on mining in Russia will be held 29–30 October. Further details will be provided to the secretariat.

Item 12: Any other business

(i) Cameroon and UNFC-2009

57. Mr. Victor Kuja, Geologist at the Department of Mines of Cameroon, who attended the EGRC fifth session, organized a meeting on 22 June with the Secretary of State for Mines, the Director of Mines and the Deputy Director of Mining Activities, to provide an update on the UNFC and its potential introduction in the minerals sector in Cameroon. The meeting participants are all very positive about the benefits of UNFC. It was concluded that Cameroon needs to develop a local classification and reporting system for its mineral resources before introducing the UNFC.

(ii) Resources Other Reserves (ROTR) Guidelines for COGEH

58. David Elliott advised that the ROTR Guidelines for the Canadian Oil and Gas Evaluation Handbook (COGEH) are now complete and will be published by the end of June. He noted that since not all issues were dealt with in the Guidelines he plans to call a meeting of the SPEE Calgary ROTR Sub-Committee in September/October to prepare recommendations for the outstanding issues. This could include recommendations on the preparation of resource-specific guidelines, notably low permeability gas (including shale gas) and oil.

(iii) Alberta Energy Regulator interest in UNFC

59. David Elliott provided feedback on the Alberta Energy Regulator (AER), which was formerly known as the Energy Resources Conservation Board. AER is responsible for the administration and assessment (i.e. government resource management and resource studies uses) of Alberta's energy resources. Although energy is (mostly) a provincial responsibility, AER is essentially the lead agency of its type in Canada. Established in 1938, among other things, it publishes an annual report on Alberta's energy resources. It has its own long-established resource classification system that is not the same as PRMS, COGEH or UNFC. The bitumen "reserves" quoted for Canada, for instance, are AER estimates of what it calls "Established Reserves". AER has indicated it is planning to review its resource classification and is currently reviewing PRMS, COGEH and UNFC. A conference will be organized by AER in September/October that will include various government agencies of the Western Canadian provinces (which represent the bulk of Canadian oil and gas resources) to discuss a revision of its resource classification system. AER has indicated that it wishes to be more actively involved in the EGRC/UNFC work and hopes to be represented at the next EGRC meeting. David Elliott undertook to advise the secretariat of AER's nominated representative on the EGRC as soon as he is informed.

Item 13: Timing of next meeting

60. Dependent if there is a need for the Uranium Bridging Document to be circulated to the EGRC for a 21 day comment period, the Bureau would need to meet during the first week of August.
