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**ECONOMIC COMMISSION FOR EUROPE**

**COMMITTEE ON SUSTAINABLE ENERGY**

Ad Hoc Group of Experts on Harmonization of  
Energy Reserves and Resources Terminology  
Second session, 9-11 November 2005

**PROVISIONAL AGENDA FOR THE SECOND SESSION**

to be held at the Palais des Nations, Geneva,  
starting on Wednesday 9 November 2005, at 10 a.m.\*

**I. INTRODUCTION**

1. Following the decision of the Committee on Sustainable Energy at its fourteenth session, held in June 2005 (ECE/ENERGY/65, paragraph 35), the name of the Ad Hoc Group of Experts on the Supply of Fossil Fuels has now been changed back to its former name, namely: Ad Hoc Group of Experts on the Harmonization of Energy Reserves and Resources Terminology.

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\* New accreditation procedures have been introduced for all delegates attending meetings held at the Palais des Nations. Delegates are therefore requested to complete the attached registration form also available from the website of the UNECE IREED Division (<http://www.unece.org/ie>) and to transmit it to the UNECE secretariat, if possible two weeks prior to the session, either by fax (+41 22 917 0038) or by e-mail ([charlotte.griffiths@unece.org](mailto:charlotte.griffiths@unece.org)). Prior to the session, delegates are requested to present themselves at the Pass and Identification Unit of the UNOG Security and Safety Section, located at the Villa Les Feuillantines, 13, Avenue de la Paix (a map is attached) for the issuance of an identification badge at least one hour prior to the beginning of the meeting. In case of difficulty, please contact the UNECE secretariat by telephone (internal extension 74140).

2. In order to reflect the progress made to date in development of the United Nations Framework Classification for Fossil Energy and Mineral Resources (UNFC) and the new programme of work and direction for the Ad Hoc Group of Experts as discussed at the meeting held in November 2004, it is appropriate that Terms of Reference be developed for the Group of Experts that adequately reflects this. Draft Terms of Reference will be prepared for discussion at the meeting.

## II. BACKGROUND

3. Since the UNFC was first developed for solid fuels and mineral commodities and recommended for worldwide use by the United Nations Economic and Social Council (UN ECOSOC) in 1997, a strengthening of the need for one common global code covering extractive activities has been identified. It is anticipated that this requirement will prevail and will need to be met urgently as global capital and commodity markets mature.

4. These needs are exemplified by the International Accounting Standards Board (IASB), charged with the development of International Financial Reporting Standards (IFRS). The Board has placed extractive industries on its research agenda for the purpose of evaluating a future IFRS for extractive activities. As of 2005, general IFRSs are enforced in the European Union, Australia and South Africa hence covering a significant portion of the world's capital markets. There is an agreement between the IASB and the US Securities and Exchange Commission to harmonise their rules. This further enhances the required global dimension of its work.

5. There is a legitimate concern over the diversity of standards currently being used for the reporting of energy and mineral reserves and resources, as well as how these are used by governments, corporations and shareholders for decision-making.

6. Numerous classification systems are in practise based on a wide variety of terms and definitions. This semantic diversity of terminology hampers information flow and makes compilation and analysis difficult.

7. The growing importance of this need for a global common code has resulted in three important actions to date:

- (i) In 1997, ECOSOC recommended the UNFC be applied to coal and mineral resources. It has since been tested successfully in more than 60 countries and legislated in several.
- (ii) In 1999, UNECE and the Council of Mining and Metallurgical Institutions (CMMI, now known as CRIRSCO) agreed on the specific joint wording for those reserve/resource definitions they shared. This effectively brought the UNFC and the CMMI classifications together.
- (iii) In 2004, ECOSOC recommended an amendment to the 1997 UNFC, incorporating petroleum (oil and gas) and uranium resources. This extended its application fully to fossil energy and mineral resources (ECOSOC Resolution 233/2004).

8. Measures are being undertaken by a range of international organizations, including the International Energy Agency (IEA), the International Energy Forum (IEF) and the Organisation of Petroleum Exporting Countries (OPEC), to improve the understanding of the resource base for their decisions and recommendations. These initiatives are followed with great interest, also at political levels.

9. Concurrently, other classifications are being researched for further improvement, including that of the SPE/WPC/AAPG and the CMMI/CRIRSCO/Australian Joint Ore Reserves Committee (the JORC Code).

10. The UNECE, through the Ad Hoc Group of Experts on the Harmonization of Energy Reserves and Resources Terminology, is looking to further enhance efficiency in international and national resources management, in corporate business processes and in finance.

11. Through the UNFC, the United Nations seeks to enhance international communication by providing a simple, user-friendly and uniform format for the reporting of fossil energy and mineral commodity reserves/resources, using market-based economic criteria. The major objective of this initiative is twofold: first, to encourage Member States of the UN and international organizations to consider taking appropriate measures for ensuring worldwide application of the UNFC; and second, that the development of a global common code be based on cooperation with recognised professional bodies and harmonisation of needs by use of the framework facility provided by the UNFC.

12. A wide range of international organizations, governmental bodies and renowned experts have expressed their interest and offered their support to the UNECE to facilitate this initiative. The international organizations include the International Atomic Energy Agency (IAEA), IEA, IEF, OPEC, the World Petroleum Council (WPC) and the World Energy Council (WEC). A number of professional associations, including the Association of American Petroleum Geologists (AAPG), the Combined Reserves International Reporting Standards Committee (CRIRSCO), the International Accounting Standards Board (IASB) and the Society of Petroleum Engineers (SPE) have also indicated their willingness to cooperate on this initiative.

13. Governments are clearly dependent on having a common national code for aggregating a view of their reserves and resources for their resources management. Companies are as well for purposes of managing their portfolios. It should be recognised that these often contain assets in several countries operated by themselves or by partners. One global common code clearly facilitates communication between partners, financial reporting, reporting to governments, to international organizations and to the general public. Strong consensus has been clearly expressed by a number of the key stakeholders for the development of such a common code, which would look to serve the needs of:

- (i) international and national resources management;
- (ii) industry's needs for business process management internationally; and
- (iii) the needs related to financial reporting.

14. An implemented common global code for energy and mineral resources will have long lasting and fundamental effects for the efficiency of the energy and mineral sectors. It will need to be reliable over the long term. The establishment of a permanent and global governance structure for such a code will be critical to the ongoing success of this initiative. It is intended that this issue be discussed in depth during the meeting. A group of stakeholders will need to be identified, which from the users perspective may oversee and guide the professional groups, including SPE, WPC, AAPG and CRIRSCO/ JORC. Support from a common trust fund financed technical and professional capacity needs to be discussed. A global structure of this nature is a prerequisite for deep implementation of the UNFC as intended and required.

15. In order to facilitate the discussion at the meeting of this Ad Hoc Group of Experts, the UNECE hosted two informal brainstorming meetings in Geneva. The first informal meeting was held on 4 April 2005 and involved a dialogue between IEA, IEF, OPEC and UNECE. The second meeting was held on 6-7 July 2005 and involved discussions between all the potential stakeholders that would be involved in the permanent governance structure for a global common reporting code. The first day of the July meeting focussed on the solid fuels and mineral sector and the second day focussed on the petroleum sector.

16. The UNFC currently has a global mandate as conferred by ECOSOC Resolution 233/2004. In view of the UNFC having been developed at the UNECE at its headquarters in Geneva, it is proposed that the aforementioned governance structure continued to be housed in Geneva. Prior to the meeting clarification will be sought to ensure that non-UNECE member States are equal partners in the decision-making and other processes.

### **III. GUIDELINES FOR APPLICATION OF THE UNFC**

17. The UNFC is built on functional and not prescriptive requirements. How to best meet these requirements at any time will need to be discussed from time to time, analysing local and global needs supplemented by case studies.

18. Work has already commenced on the development of Petroleum Guidelines, notably at a meeting held in Stavanger, Norway, 6-7 June 2005.

19. Time will be allocated at the meeting to discussions on the development of guidelines to the UNFC for both petroleum and solid fuels and minerals. In developing such guidelines it is essential that these be tailored to meet the needs of applications, and then in particular to international and national energy studies/energy resources management functions, corporate business processes and international financial reporting standards.

### **IV. CASE STUDIES**

20. Comprehensive case studies will be essential to fully assess the suitability of applying the UNFC to a range of individual deposits of oil, natural gas, coal and uranium. Such case studies would serve to demonstrate the various strengths of the UNFC under diverse applications. The

suggested framework and sequence of work for the preparation of case studies that was included in Annex I to the Provisional Agenda for the first session of the Ad Hoc Group of Experts on the Supply of Fossil Fuels (ENERGY/GE.3/2004/2) is still highly relevant.

21. In order to develop such a range of case studies, fields will need to be identified as will resources to help undertake the work. Access to appropriate field data and the time and input of professionals will clearly be essential to this activity.

## V. TRUST FUND FINANCED SUPPORT

22. Experience gained over the last years at UNECE and in the other organizations has shown that the support required to provide reliability to a code over time requires considerable professional resources. These may be obtained in kind from stakeholders, as has been the case in the past, or in the form of professional support engaged and paid for that specific purpose. The meeting will explore both alternatives and seek to conclude how best to proceed.

## VI. AGENDA ITEMS FOR DISCUSSION

23. The documents for the session will be posted to the UNECE website at:  
<http://www.unece.org/ie/se/adhocsuppl.html>.

Item 1: Introductions and adoption of the Provisional Agenda

Item 2: Election of Officers

24. The Ad Hoc Group of Experts should elect a Bureau or confirm/re-elect the Bureau of the previous Ad Hoc Group of Experts on Supply of Fossil Fuels.

Item 3: Activities and priorities of the Committee on Sustainable Energy, and matters for consideration by the Ad Hoc Group of Experts (ECE/ENERGY/65)

25. An overview of recent activities within the work programme of the Committee on Sustainable Energy will be provided, with particular emphasis on any decisions taken with regard to the development and application of the UNFC. This overview of the Committee's work is intended for the information and guidance of the Ad Hoc Group of Experts.

Item 4: Draft Terms of Reference

26. Draft Terms of Reference for the new Ad Hoc Group of Experts will be prepared for discussion during the meeting.

Item 5: Governance Structure for a Global Common Code

27. The Ad Hoc Group of Experts will discuss the proposed design of the governance structure for a global common code and how this structure would be implemented.

Item 6: Trust Fund Financed Activities

28. The Ad Hoc Group of Experts will discuss the financing of a dedicated Trust Fund under the UNECE to carry out activities related to the development and implementation of a global common code as an alternative to ad hoc in kind contributions.

Item 7: Guidelines and Definitions

29. The preparation of draft guidelines for petroleum and minerals will be discussed by the Ad Hoc Group of Experts.

Item 8: Case Studies

30. Comprehensive case studies are required on the application of the UNFC, and such case studies are also invaluable when developing the Guidelines. The Ad Hoc Group of Experts will undertake detailed discussions relating to the preparation of both petroleum and solid fuels and minerals case studies, including the identification of fields and volunteers to undertake the studies.

Item 9: Programme of Work for the year 2006

31. The Ad Hoc Group of Experts will be given an opportunity to discuss and review the programme of work for 2006 and propose specific activities to be carried out during this period.

Item 10: Concluding Remarks and Recommendations

Item 11. Any Other Business

32. At the time the provisional agenda was prepared, there were no issues to be raised under this item.

Note: Simultaneous interpretation in English, French and Russian will be provided during the meeting. If necessary, additional facilities will be made available for holding parallel meetings of commodity groups.

**ANNEX I**  
**TIMETABLE**

Wednesday, 9 November

- Agenda items 1, 2, 3, 4, 5 and 6
- Agenda item 7 with respect to petroleum

Thursday, 10 November

- Agenda item 8 with respect to petroleum
- Agenda item 7 with respect to minerals

Friday, 11 November

- Agenda item 8 with respect to minerals
- Agenda items 5 and 6 *continued*
- Agenda items 9, 10 and 11

## ANNEX II

### **AD HOC GROUP OF EXPERTS ON HARMONIZATION OF ENERGY RESERVES AND RESOURCES TERMINOLOGY**

Second session, 9-11 November 2005

#### **REGISTRATION FORM**

In view of the enhanced security arrangements for access to the Palais des Nations, delegations are asked to inform the secretariat (UNECE Industrial Restructuring, Energy and Enterprise Development Division) of their exact composition. Access to the Palais des Nations will be granted only to those in possession of an identity card issued by the Safety and Security Section, Villa les Feuillantines, 13 Avenue de la Paix (see map).

Each delegate attending the session is therefore requested to register no later than two weeks before the session commences.

Delegates may also fill out the attached registration form and return it by fax (+41 22 917 0038) or E-mail ([charlotte.griffiths@unece.org](mailto:charlotte.griffiths@unece.org)) to:

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**Participant**
**Family Name**
**First Name**

Mr.

  


Mrs.

Ms.

Date Of Birth

( DD/MM/YYYY )

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