

# **UNFC stakeholders and their needs, specifications and the future**

**Presented by Jim Ross**

**Workshop on UNFC  
Mexico City  
27-28 September 2012**

# Specifications for UNFC-2009

- **What are specifications?**
- **Asking the stakeholders**
- **Analysing the feedback**
- **Development of generic specifications**
- **What's next?**

# What are Specifications?

- **Specifications set out the basic rules that are considered necessary to ensure an appropriate level of consistency in application**
- **They provide additional instructions on how the definitions must be applied in specific circumstances**

# What are Specifications?

Definitions

**Classification  
Framework**

Specifications

**Application  
Rules**

Guidelines

**Non-  
Mandatory  
Guidance**

# Development of Specifications

- **UNFC-2009 category definitions were deliberately kept very simple and generic in nature**
- **The need for specifications was recognised from the beginning**
- **The strategy was to be guided by stakeholders' view of what was required**
- **First stage of development was to ask stakeholders what they needed in order for the system to address their needs**

## SPE-PRMS

- **Examples of Specifications**  
(which SPE-PRMS refers to as “guidelines”)
  - “If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate”
  - “There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of [a] firm intention to proceed with development within a reasonable time frame”

## CRIRSCO Template

- **Examples of Specifications**  
(which the Template refers to as “guidelines”)
  - **“Under no circumstances can an Indicated Mineral Resource be converted directly to a Proved Mineral Reserve”**
  - **“The reported Mineral Reserve figures must not be added to the reported Mineral Resource figures”**

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# Specifications Task Force

- **Approached a representative range of key stakeholders to ask what specifications, if any, they considered to be necessary in order that UNFC-2009 would adequately serve their needs**
- **Focus was on users of reserve/resource data**
- **Identified stakeholders in each of the four key areas of application:**
  - **International Energy and Minerals Studies**
  - **Government Resources Management**
  - **Industry Business Processes**
  - **Financial Reporting**

# Specifications Task Force

- **Individuals from:**
  - Norwegian Petroleum Directorate
  - SPE Oil & Gas Reserves Committee
  - USGS
  - CRIRSCO
  - Geoscience Australia
  - Russian Working Group
  - Alberta Securities Commission
  - Ernst & Young

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# Results

- **Written responses received from 46 organisations**
- **Summarized into 132 bullet points**
- **Consolidated into 51 specification issues**
- **Full report available on UNECE website:**

**[http://www.unece.org/energy/se/pdfs/UNFC/unfc2009/EGRC.STF\\_ReportFinal.pdf](http://www.unece.org/energy/se/pdfs/UNFC/unfc2009/EGRC.STF_ReportFinal.pdf)**

# Task Force Conclusions

- **Strong support for the Template and SPE-PRMS to provide the preferred commodity-specific basis for UNFC-2009 application: some form of “linkage” should be considered**
- **A number of key stakeholder issues are not currently addressed in the Template and/or PRMS: these should be:**
  - **Accommodated by modification/addition to the Template and/or PRMS and/or**
  - **Addressed by developing generic specifications for UNFC-2009**
- **Task force recommendations to be published for public comment and revision (if necessary) before submitting for EGRC approval**

# 51 Specification Issues

- **Classified each issue (not final):**
  - **No further action (16 issues)**
  - **Commodity-specific issues, for consideration by CRIRSCO/SPE but not for UNFC (5 issues)**
  - **Possible need for UNFC generic specification and/or consideration by CRIRSCO/SPE (19 issues)**
  - **Likely need for UNFC generic specification (11 issues)**

# Consideration by CRIRSCO/SPE

- **CRIRSCO agreed to consider 7 issues**
  - Published a “position paper” on Mineralisation beyond Inferred Resources
  - Possible revision to template still under discussion
- **SPE agreed to consider 21 issues**
  - No changes have been made to SPE-PRMS
  - Some “additional detail” was included in the Applications Document

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# UNFC-2009

**Classification  
Framework and Category  
Definitions**

**Generic  
Specifications**

**Petroleum  
Specifications  
SPE-PRMS**

**Solid Minerals  
Specifications  
CRIRSCO**

***Other Aligned Classification Systems***

# Generic Specifications for UNFC-2009

- **Generic specifications will be:**
  - Kept as simple as possible, using plain language
  - Included as necessary to achieve comparability of estimates at a generic level
  - Intended to respond to issues not addressed by PRMS or the CRIRSCO Template
  - Not be in conflict with PRMS or the CRIRSCO Template
- **Any proposals for UNFC-2009 specifications would be subject to a public comment period**

# Generic Specifications for UNFC-2009

*Two documents in preparation in draft form:*

- **Specifications document, including:**
  - **Generic specifications**
  - **Bridging documents with CRIRSCO Template and SPE-PRMS**
- **Specifications task force report, outlining process and basis for recommendations**

# Draft Specifications Document

## *Draft Table of Contents*

- **Introduction**
- **Environmental and social considerations**
- **Commodity-specific specifications and the relationship with other resource classification systems**
- **National resource reporting**
- **Disclosure**
- **Generic specifications (20 issues)**
- **Annexes (5 annexes)**

# Draft Specifications Document

## *DRAFT text*

- In these generic specifications, the following words have specific meanings:
  - “Shall” is used where a provision is mandatory;
  - “Should” is used where a provision is preferred; and,
  - “May” is used where alternatives are equally acceptable.

# Draft Specifications Document

## *Examples of generic specification issues*

- **Use of numerical codes**
- **Bridging documents**
- **Effective date**
- **Commodity or product type**
- **Basis for estimate**
- **Reference point**
- **Units and conversion factors**
- **Etc.**

# Draft Specifications Document

## *Document annexes*

- I. **Glossary of terms**
- II. **Guidelines on the application of key instructions in UNFC-2009**
- III. **Bridging document between the CRIRSCO Template and UNFC-2009**
- IV. **Bridging document between SPE-PRMS and UNFC-2009**
- V. **Guidelines on the use of project maturity to sub-classify projects**

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# What's next?

- **Publish specifications document and task force report on UNECE website for public comment**
  - Cover letter will explain process and any current differences of opinion between task force members
  - Period for comment: early October – early December
- **Review comments and revise as necessary**
- **Submit to EGRC Bureau for approval**
  - Deadline is early February
- **Submit to EGRC for endorsement**
  - EGRC meeting in Geneva, 24-26 April 2013

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