

Summary and conclusions

Sigurd Heiberg, Chairperson,
Commercial Applications Working
Group



RESOURCE MANAGEMENT WEEK 2021

ENABLING SUSTAINABILITY PRINCIPLES IN RESOURCE MANAGEMENT



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The EGRM Commercial Applications Working Group

Thanks to all for contributing talent and time



- Ms. **Kathryn Campbell** (Attorney)
- Ms. **Carolina Coll** (CGG)
- Mr. **David Elliott**, Member Emeritus
- Mr. **King Lee** (World Nuclear Association)
- Mr. **Matthias Hartung** (Executive Consultant Data & Digital)
- Mr. **Sigurd Heiberg**, (Chair) Petronavit a.s.
- Mr. **Julian Hilton** (Aleff Group)

- Mr. **Donald Lessard** (Professor Emeritus, Massachusetts Institute of Technology)
- Mr. **Michal Lynch-Bell** (KAZ Minerals)
- Mr. **Dominique Salacz** (Abu Dhabi National Oil Company (ADNOC))
- Mr. **Nick Stansbury** (Legal & General Investment Management)
- Mr. **Danny Trotman** (EY)
- Mr. **Claudio Virues** (Alberta Energy Regulator, Canada)
- Mr. **Jeremy Webb** (UNDP).

Commercial Applications Working Group deliveries in 2021

The deliveries of the Commercial Applications Working Group.



United Nations
Economic and Social Council
 Distr.: General
 11 February 2021
 Original: English

ECE/ENERGY/GE.3/2021/8

Economic Commission for Europe
Committee on Sustainable Energy
Expert Group on Resource Management

Twelfth session
 Geneva, 26-30 April 2021
 Item 8(i) of the provisional agenda
Development, maintenance and implementation of the United Nations Framework Classification for Resources: Commercial aspects and financial reporting

The United Nations Framework Classification for Resources applied to Commercial Assessments - Introductory Guidance
Prepared by the Expert Group on Resource Management Commercial Applications Working Group

Summary

This introductory guidance on application of the United Nations Framework Classification for Resources (UNFC) to commercial assessments shows how effects of policy changes on projects and assets as well as the evolution of projects and assets over time can be presented. This involves the identification of projects that may be impaired by policy changes and projects that may be enhanced by them. Policy changes are highly likely to be implemented over the project lifetimes, but it is uncertain how, when and where. This forces commercial assessments to be made considering what likely changes could be, and what the likelihood for their implementation is. In addition, or consequently, the project metrics change over time. The report also shows how this may be presented. Valuation and reporting will need to honour the policy uncertainties. Valuation may help ascertain or not the realism of implementing the changes. The introductory guidance recognizes that complex quantitative research is required to assess the global and national consequences of policy changes, and to help design effective ones. The same research is required to value projects, assets and portfolios and to produce understandable and simple aggregated reports to meet stakeholders' needs including impacts on and demand from other stakeholders, e.g. communities, Non-Governmental Organizations etc. For this a global UNFC (1) based open source data structure with applications is required and a solution is suggested. Whilst the standard data structure must be global, applications will need to be tailored to stakeholders' needs. They vary between jurisdictions and over time. The structure to be developed will benefit from building on existing structures such as that of the Open Group,¹ the European Union Inspire Directive, the European Geological Data Infrastructure and others. None of this will be of value without securing quality in data, work processes and governance.

¹ www.opengroup.org



United Nations
Economic and Social Council
 Distr.: General
 9 April 2021
 English only

ECE/ENERGY/GE.3/2021/9

Economic Commission for Europe
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Twelfth session
 Geneva, 26-30 April 2021
 Item 8(i) of the provisional agenda
Development, maintenance and implementation of the United Nations Framework Classification for Resources: Commercial aspects and financial reporting

The United Nations Framework Classification for Resources applied to commercial assessments – Update and achievements.

Prepared by the Expert Group on Resource Management Commercial Applications Working Group

Summary

This document supplements the three previous parliamentary documents issued by the Expert Group on Resource Management Commercial Applications Working Group in 2019, 2020 and 2021 and the United Nations Economic Commission for Europe webinar "How the United Nations Framework Classification for Resources (UNFC) can help channel investments into energy and resource projects for sustainable development" held on 11 March 2021. It proposes that success in achieving the Sustainable Development Goals will be higher if the parties collaborate in an enhanced dynamic and integrative public-private partnership, where the public side (the United Nations and governments) set policies and operate framework conditions that allows industry to deploy its best capabilities in ways that the capital market can finance. The document illustrates this through the example of the response of the Norwegian Government to the 2020 COVID-19 pandemic-related drop in oil prices. An example that illustrates how policies and private decisions interact and how they can be better aligned.



The screenshot shows the UNECE website with a search bar and navigation menu. The main content area features a webinar announcement titled "Webinar: How the United Nations Framework Classification for Resources (UNFC) can help channel investments into energy and resource projects for sustainable development". The webinar is scheduled for 11 March 2021 at 17:00 - 18:30 h CET (Geneva time). Below the announcement is a video player showing a recording of the webinar. The video player includes a play button, a progress bar, and social media sharing icons for Facebook, Twitter, and LinkedIn.

Conclusion

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- Both resource management and commercial applications require the project based UNFC, populated with project metrics.
- Meeting the SDGs and the climate ambitions is hinged on commercial valuations and requires:
 - The UN and Member States to set and adapt appropriate framework conditions that –
 - allows industry to deploy their best capabilities –
 - in ways that the capital market can finance.
- This journey requires dynamic and integrative capabilities to be developed and applied by all, respecting the interests and limitations of other parties.

Thank you!

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Date 29th of April 2021, Geneva



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