Summary and conclusions

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RESOURCE MANAGEMENT WEEK 2021

ENABLING SUSTAINABILITY PRINCIPLES IN RESOURCE MANAGEMENT



The EGRM Commercial Applications Working Group

Thanks to all for contributing talent and time

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- 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)
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- · 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

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Economic and Social Council

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Economic Commission for Europe

Committee on Sustainable Energy

Expert Group on Resource Management

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Item 8(i) of the provisional agenda

Development, maintenance and implementation of the United Nations

Framework Classification for Resources:

The United Nations Framework Classification for Resources applied to Commercial Assessments - Introductory Guidance

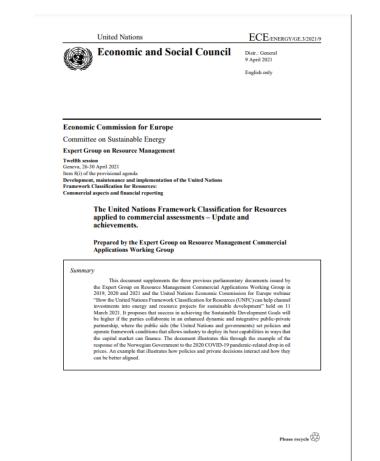
Prepared by the Expert Group on Resource Management Commercial Applications Working Group

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 imercial 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







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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