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

Geneva, 25-29 April 2022

Item 9 of the provisional agenda

**Development, maintenance and implementation of the  
United Nations Framework Classification for Resources****United Nations Framework Classification for Resources –  
Glossary of Common Terms****Prepared by the Technical Advisory Group Task Force on a Glossary  
for the United Nations Framework Classification for Resources****I. Background**

1. The United Nations Framework Classification for Resources (UNFC) was reviewed in 2019 resulting in an update UNFC (2019), published in early 2020. This gave cause to review the subsidiary documents, a process that is ongoing. The Technical Advisory Group of the Expert Group on Resource Management decided as part of the review to produce a glossary of terms that were common to UNFC (2019) and its subsidiary documents, primarily the Specifications. This document contains the proposed glossary of common terms in Annex I.
2. The main documents reviewed in preparing this Glossary of Common Terms are listed in Annex II. An attempt has been made to follow the revisions in progress through various drafts circulated and to include key terms used in the United Nations Resource Management System (UNRMS) and guidance documents, including the reports addressing commercial issues.
3. The Glossary is kept to a minimum to be more accessible. To this end, the definitions of Categories are not included. These definitions are a central part of UNFC (2019)<sup>1</sup>. They form part of the common terms, and as such part of the glossary for operational applications.
4. Whenever common terms may replace terms used in the subsidiary documents, this should be done to retain unity of concepts throughout the UNFC/rules.
5. Terms that are specific to subsidiary documents for good reason are not contained in the Glossary. They can be found in the documents where they apply.
6. Terms appearing in the referenced documents that are well enough defined in plain language have not been included.

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<sup>1</sup> <https://unece.org/info/Sustainable-Energy/UNFC-and-Sustainable-Resource-Management/pub/2772>



7. As the volume and scope of application of UNFC expands, the volume of texts defining its rules and of the reports applying them expands to levels where their use requires a rigorous internal structure at the core.

8. In addition to the ongoing process of consolidating the rules documents, using common concepts and formats to the extent possible, it will be useful to tag the definitions when they appear in the documents with a hyperlink to their definitions.

9. In the period that UNFC was developed from its 2004 version to its 2009 version, the financial community started to tag their reports and applying what is now known as the eXtensible Business Reporting Language (XBRL). XBRL uses digital techniques to store and retrieve tagged information such as financial accounts across companies and time. The tags are defined in what is called the taxonomy where the core is similar to the UNFC definition of Categories and glossary items. The XBRL technique deserves further examination in order to assess whether it may be beneficial to apply in UNFC/UNRMS reporting, whether this is internal to an entity, a partnership, a jurisdiction, the United Nations or the financial community.

## **II. Acknowledgements**

10. This document was prepared by a task force established by the Technical Advisory Group under the leadership of Alistair Jones as part of the Task Force for Review of Resource Specifications.

11. Members of the task force are:

- Roger Dixon
- Sigurd Heiberg (Chairperson)
- Aaron W. Johnson
- Markus Klingbeil.

12. The task force built on a previous effort done by:

- Jan Bygdevoll
- Roger Dixon
- Alistair Jones
- Brad van Gosen.

13. The work of the individuals previously mentioned has been of great help, as has the discussions with selected members of the groups developing specifications for the application of UNFC for individual commodities and tasks.

14. This common glossary is to be used as part of UNFC (2019) and its subsidiary documents. It has been compiled in a period where several underlying documents have been modified or were being developed. The aim of the Task Force for Review of Resource Specifications, and for this task force for the development of a common glossary has been to help cast the UNFC rules and specifications into one coherent and simple form of words.

15. The work has taken the definitions of UNFC (2019) and of its Specifications into account. When differences occurred, these have been resolved.

## **III. Recommendations**

16. Based on the above, the Expert Group on Resource Management (EGRM) is invited to:

- (a) Approve the Common Glossary contained in Annex I for use in UNFC and its subsidiary documents, including specifications guidance and studies;

(b) Request the secretariat of the United Nations Economic Commission for Europe (ECE) to tag the defined terms with hyperlinks to the definitions. This includes the definitions of categories, the terms defined in the Common Glossary presented here and terms that are defined in any subsidiary document;

(c) Research the merit of developing an XBRL facility for use with UNFC and UNRMS including in jurisdictional, entity, partnership, and financial reporting.

**Annex I****Glossary of Common Terms**

<i>No</i>	<i>Proposed Glossary</i>	<i>Proposed definition</i>	<i>Comment</i>
1	Asset	Legal rights to which value is attached. Examples of an asset may be a property, a contract etc.	Assets are held both by the public and private sector. The legal rights are related to objects such as projects, land, tangible and intangible properties and define the rightsholder's privileges and obligations.
2	Class(es)	Primary level of resource classification resulting from the combination of a Category from each of the three Criteria (axes).	
3	Classification of resources	The categorisation of resources based on the social, environmental, and economic viability of their extraction/use, the corresponding technical feasibility, and the degree of confidence in the estimates of volumes and forecasts.	
4	Commercial	Ready for buying and selling at scale.	In UNFC, commercial is a term that applies to products and assets. For products, it is reserved for those that are classified as E1, F1. Assets can be bought or sold irrespective of the classification of its sources and products.
5	Competence	The power of a person, business, court, or government to deal with something or take legal decisions.	Competence has two meanings in English, and both are used in resource management. The second meaning is: Possessing the skills and attributes and exhibiting the conduct that are used to define and measure suitability for a certain role or function. This is synonymous with qualification and is covered by that term here.
6	Criteria	UNFC utilises three fundamental Criteria for reserve and resource classification: favourability of environmental-socio-economic conditions in establishing the viability of the project (E axis); maturity of technology, studies and commitments necessary to implement the project (F axis); and, degree of confidence in the estimate of quantities of products from the project (G axis). These Criteria are each subdivided into Categories and Sub-categories, which are then combined in the form of Classes or Sub-classes.	
7	Degree of confidence	An assessment of the certainty in an estimate of quantities.	See the G axis Category definitions.
8	Economic	The anticipated monetary revenues equal or exceed the costs by a margin that satisfies financing	

No	Proposed Glossary	Proposed definition	Comment
		requirements, taking risks and opportunities into account, and provides a positive return on investment, often measured by a monetary criterion, such as having a positive net present value (NPV) at a discount factor.	
9	Economic limit	The time beyond which the remaining cumulative cash flows from the Project, in case of project evaluations, or from the Asset in the case of asset evaluations is negative. This refers to the legal rights and/or the use of facilities, whether for extractive or regenerative activities.	
10	Effective Date	The date for which estimates are valid.	
11	Entity	An asset holder.	
12	Environmental impact	The physical, chemical, and biological impact on, or changes to the project area and surroundings, due to a project (e.g. heavy metal contamination in soils or water, disruption of wildlife habits and migration characters, etc.).	
13	Exploration Project	A Project that is associated with one or more Potential Source (as defined below).	
14	Product	The quantity that will cross the reference points of a project and that will be delivered from or consumed by the project. Estimates should be classified separately for each product that will be sold, transferred, used, unused or consumed in operations. Where estimates for different products have been aggregated for classification, and separate estimates are not provided, the aggregated estimates shall be accompanied by a statement clarifying which products have been aggregated and the conversion factor(s) used to render them equivalent for the purposes of aggregation.	Products of the project may be bought, sold, or used, including electricity, heat, hydrocarbons, hydrogen, minerals, and water. It is noted that with some projects, such as for renewables, the products (electricity, heat etc.) are different from the sources (wind, solar irradiation etc.). In other projects the products and sources may be similar e.g. in petroleum projects both the sources and products are oil and/or gas, although the fluid state and properties may change from reservoir to surface conditions.
15	Production	The process of generating products from sources via projects.	
16	Project	A Project is a defined development or operation which provides the basis for environmental, social, economic and technical evaluation and decision-making. In the early stages of evaluation, including verification, the Project might be defined only in conceptual terms, whereas more mature Projects will be defined in significant detail. Where no development or operation can currently be defined for all or part of a source, based on existing technology or technology currently under development, all quantities associated with that source (or part thereof) are classified in Category F4. These are quantities which, if produced, could be bought, sold, or used.	

<i>No</i>	<i>Proposed Glossary</i>	<i>Proposed definition</i>	<i>Comment</i>
17	Professional Organization	A self-regulatory professional association or government licensing authority that admits or licenses individuals based on their academic qualifications, experience, and ethical fitness; requires compliance with the professional standards of competence and ethics established by the organization; requires or encourages continuing professional development; and has and applies disciplinary powers, including the power to suspend or expel individuals or withdraw licenses.	
18	Property	A volume of the Earth's crust defined by an Asset. May also be termed a lease, concession, or license.	
19	Prospective	Used in association with projects as prospective projects: Where the existence of a developable product is based primarily on indirect evidence and has not yet been confirmed.	
20	Qualified Assessment	A formal report pertaining to the estimated quantities and/or value of project metrics made by a Qualified Expert, that should include, but not be limited to, sources and adequacy and reliability of the underlying data, assumptions made and limitations, the qualifications and experience of the author(s) or those responsible for sign-off.	
21	Qualified Expert	An independent person with education, training, and relevant professional experience in a discipline pertinent to a Project, acting in compliance with the professional standards of competence and ethics established by his/her professional organization. This person is responsible for the standards and methodologies used for collecting, analysing, and verifying information used in qualified assessments.	
22	Qualified	Possessing the ability to put skills, knowledge, and experience into practice to perform activities or a job in an effective and efficient manner for resource classification, management, and reporting.	Proposed alternative definition: Possessing the ability to put skills, knowledge, and experience into practice to perform activities or a job in an effective and consistent manner for resource classification, management and reporting as per UNFC guidelines.
23	Reference point	A defined location at which the reported estimate or measurement is made. The Reference Point may be the sales, transfer or use point from the development or it may be an intermediate stage, in which case the reported quantities account for losses prior to but not after the delivery point. The Reference Point shall be disclosed in conjunction with the classification. Where the Reference Point is not the point of sale to third parties (or where custody is transferred to the entity's other operations), and such quantities are classified as E1, the information necessary to derive estimated sales shall also be provided.	

<i>No</i>	<i>Proposed Glossary</i>	<i>Proposed definition</i>	<i>Comment</i>
24	Remediation	The restoration of a project site conditions that are required by regulatory or other provisions.	
25	Renewable	Where the inflow to, and/or generation of energy or materials in a defined body exceeds the outflow over a period of interest.	Adopted from Renewable Energy Specification.
26	Resource	The cumulative quantity of products that are generated and/or consumed by a project from a defined date forward and evaluated at the reference point(s) of the project. A resource has an environmental-social-economic benefit and can be renewable (e.g. solar, wind, groundwater) or non-renewable. Resources can be for primary use (e.g., minerals, hydrocarbons, renewable energy, groundwater, pore space for CO2 storage) and can be derived from or after primary use as secondary resources (e.g. anthropogenic resources, mining residues and tailings, processing or refining residues, construction wastes).	The term "resource" is not defined in UNFC, because it has specific, but different, definitions in different sectors. In UNFC "resource" is only used in generic way as in the phrases "resource management", "resource project", "resource specification".
27	Royalty	Royalty is an entitlement interest in a project where the royalty owner does not participate in any of the capital or operating costs required to produce the products. A royalty is commonly retained by resources lessor when granting rights to the producer. A royalty is paid in either cash or kind (depending on the lease) based on a fraction of the production.	
28	Social impact	The resulting impact on humans and society, from a project, such as: (i) Effects stemming from environmental changes (e.g. health issues due to heavy metal contamination); and (ii) Changes in social systems and structures, (e.g. ownership claims, traditional land usage, land and other value changes, changes in local population community structures, etc.).	
29	Sources	Sources, such as bioenergy, geothermal, hydro-marine, solar, wind, injection for storage, hydrocarbons, minerals, nuclear fuels and water, are the origin from which products can be derived. The sources may be in their natural or secondary (anthropogenic sources, tailings, etc.) state.	
30	Specifications	Additional details (mandatory rules) as to how a resource classification system is to be applied, supplementing the framework definitions of that system. Generic Specifications provided for UNFC in Specifications Documents ensure clarity and comparability and are complementary to the source-specific requirements included in Aligned Systems, as set out in the relevant Bridging Document.	
31	Sub-category	Subdivision of a Category.	
32	Sub-class	Class defined by the combination of its Sub-categories.	

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<i>No</i>	<i>Proposed Glossary</i>	<i>Proposed definition</i>	<i>Comment</i>
33	Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs as explained through the UN Sustainable Development Goals.	



## Annex II

### References

1. UNFC (2019): [United Nations Framework Classification for Resources Update 2019](#)
2. UNRMS: [United Nations Resource Management System: Guiding principles and structure](#)
3. Anthropogenic: [Specifications for the Application of the United Nations Framework Classification for Resources to Anthropogenic Resources](#)
4. Bioenergy: [Specifications for the Application of the United Nations Framework Classification or Resources to Bioenergy Resources](#)
5. Commercial: [Commercial Applications Guidelines for Resource Management using the United Nations Framework Classification for Resources \(UNFC\) \(in draft\)](#).
6. Competent Person: [Draft Guidance Note on Competency Requirements for the Estimation, Classification and Management of Resources \(ECE/ENERGY/GE.3/2022/4\) \(in draft\)](#).
7. Geothermal: [Updated Specifications for the application of the United Nations Framework Classification for Resources to Geothermal Energy Resources. ECE/ENERGY/GE.3/2022/9 \(in draft\)](#).
8. Injection: [Specifications for the Application of the United Nations Classification for Fossil Energy and Mineral Reserves and Resources 2009 \(UNFC-2009\) to Injection Projects for the Purpose of Geological Storage](#)
9. Minerals: [Supplementary Specifications for the Application of the United Nations Framework Classification for Resources to Minerals](#)
10. Nuclear: [Draft Supplementary Specifications for the Application of the United Nations Framework Classification for Resources to Nuclear Projects](#)
11. Petroleum: [Supplementary Specifications for the Application of the United Nations Framework Classification for Resources to Petroleum](#)
12. Renewable energy: [Specifications for the Application of the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources 2009 to Renewable Energy Resources](#)
13. Social and environmental: [Accommodating Social and Environmental Considerations in the United Nations Framework Classification for Resources: Concepts and Terminology](#)
14. Solar: [Specifications for the Application of the United Nations Framework Classification for Reserves \(UNFC\) to Solar Energy](#)
15. Water: [Supplementary Specifications for the Application of the United Nations Framework Classification for Resources to Groundwater Resources](#)
16. Wind: [Specifications for the Application of the United Nations Framework Classification for Reserves \(UNFC\) to Wind Energy](#)