United Nations Framework Classification of Resources (UNFC) - Guidance for Application to Coal Bed Methane (CBM)

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Objectives

Bird’s eye view of:

1. Integrated and sustainable management of resources
2. UNFC and UNRMS
3. Applications to CBM.
1. The 2030 Agenda

By 2030, achieve sustainable management and efficient use of natural resources
Resource production: “drain industry” that “extracts” wealth but leaves behind social and environmental problems.

21st Century issues

- Exponentially increasing material footprint
- Resource depletion
- Carbon footprint
- Water use
- Mounting waste issues
- Environmental issues
- Diminishing social acceptability
The 2030 Agenda calls for “integrated and indivisible” sustainable development. Long term approach: Benefit present and future generations.
2. United Nations Framework Classification for Resources (UNFC)

- Applicable across resources and countries
- Includes environmental, social, and economic dimensions
What is UNRMS?

Framework for sustainable resource produced and use.

For integrated, sustainable and adaptive development of resources.

Meets specific governmental requirements for supporting and mediating supply- and value-chains of natural resources.

Includes principles-based tool-kit (in progress) so could serve different needs of stakeholders.

Comparisons across projects not only in terms of resources, but also other indicators, e.g. timing and profile.
UNFC and UNRMS

- Align to the 2030 Agenda
- Improve financial resilience through business process innovation
- Derive good social, environmental and economic outcomes
- Social contract on natural resources
- Integrated resource management approach

Resources are classified and managed under a single system
The Economic and Social Council (ECOSOC) is at the heart of the United Nations system to advance the three dimensions of sustainable development – economic, social and environmental.

Member States of the United Nations, international organizations and regional commissions to consider taking appropriate measures for ensuring worldwide application of the Framework Classification.
15. Implement a shared principles-based, integrated, sustainable resource management framework using tools such as the existing United Nations Framework Classification for Resources (UNFC) and the United Nations Resource Management System (UNRMS) under development.
Classification of CBM

UNFC classifies CBM projects based on three sets of basic categories:

• The E Category designates the degree of favorability of environmental-socio-economic conditions in establishing the viability of the project.

• The F Category designates the maturity of technology, studies and commitments necessary to implement the project.

• The G Category designates the degree of confidence in the estimate of the quantities of products from the project.

3. UNFC Guidance for Application to CBM
CBM Assessment using UNFC

**E-axis**
- Viability Considerations
- Cash-Flow Evaluation
- Economic Criteria
- Future Net Revenue
- Economic Limit
- Resources Entitlement and Recognition
- Royalty
- Production-Sharing Contract
- Social Criteria
- Environmental Criteria

**F-Axis**
- Consideration of Risk
- Viability Assessment
- Technology Feasibility
- Development Plan Status
- Project maturity subcategories
- Prospective Projects
CBM Assessment using UNFC

**G-axis**

General overview & principles
Estimation Procedures
Analytical procedures
Volumetric analysis
Analogues
Performance-based Estimates
Resources Assessment Methods
  Deterministic method
  Probabilistic method:
  Aggregation
Integrated and sustainable management of natural resources is critical to meeting universal needs.

Resources must be managed as a public good to achieve key SDGs.

UNFC and UMRMS provide the right information and tools to manage natural resources.
To Summarize

1. Alignment to Global Goals for de-risking investments, gaining public acceptability
2. UNFC based information focus on social, environmental and economic aspects. UNRMS based management aligns with the global goals.
3. UNFC CBM guidelines can frame coal bed methane in the developmental context.
Thank you!

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