

CCOP – Norway EPPM Program 4th Annual Seminar/Workshop

9-10 February 2012, Bangkok, Thailand

Summary:

The Workshop was organized by the Coordinating Committee for Geoscience Programs in East and South-east Asia (CCOP), in cooperation with United Nations Economic Commission for Europe (UNECE) and United Nations Economic Commission for Asia and Pacific (UNESCAP), under its Enhancing Public Petroleum Management Program (funded by the Norwegian Government). The goal of the EPPM Program is to create the highest possible value for society from petroleum resources in order to improve the quality of life of the people in CCOP Member Countries.



This is the 4th Annual Seminar / Workshop (S4) that supports the technical activities of the EPPM Program and participated by representatives from the minerals and petroleum sectors from Cambodia, China, Indonesia, Korea, Lao People's Democratic Republic, Malaysia, the Philippines, Thailand and Vietnam. The objectives are to review the current state-of-the-art in petroleum and mineral resource classification and to present the only global classification system, United Nations Framework Classification (UNFC) 2009, for both petroleum and minerals. Also, to explain and discuss the potential for the United Nations Framework Classification (UNFC - 2009) to provide a global communication tools that can be applied easily by the CCOP Member Countries.

All the main resource persons are from the UNFC Expert Group Resource Classification (EGRC) that were invited courtesy of Ms. Charlotte Griffiths, Leader- Fossil Fuels, Sustainable Energy Division, UNECE.

1. Mr. Per Blystad- Senior Geoscientist, Norwegian Petroleum Directorate, Norway
2. Dr. Ian Lambert, Group Leader, Onshore Energy & Minerals Division, Geoscience Australia & Vice Chair EGRC, Australia
3. Dr. Satinder Purewal, Technical Director & COO, Energy Equity Resources, UK

In his opening remarks, Mr. Hongpeng Liu, Chief of the Energy Security and Water Resources Section at ESCAP, highlighted the critical role of fossil fuel and mineral resources for development in the region, and noted that it is a priority for ESCAP countries to be able to grow and thereby address development. “Resources are limited and access to them could become contentious. It becomes essential to be able to assess the supply base and reserves in a scientific manner that is accepted by all” observed Mr. Liu. Asia-Pacific must move forward with efficient resource management and development. UNFC is a critical step in that direction. "Implementing the UNFC will help the ESCAP region with accurate resource assessments that will promote enhanced energy security and sustainability".

Meanwhile, Professor He Qingcheng, Director, CCOP Technical Secretariat, observed that the UNFC system captures common principles and provides a tool for consistent reporting of extractive activities, regardless of the commodity. “The UNFC paves the way towards improved and efficient global communications among stakeholders that will then aid stability and security of supplies with better understood rules and guidelines. This is also relevant as we move forward towards securing affordable, sustainable and more environmentally-friendly resources that CCOP countries are also advocating” stated Professor He.

Mr. Per Blystad, Senior Advisor in the Norwegian Petroleum Directorate, explained that one should not underestimate the importance of efficiency in upstream resource management. Current forecasts show that in 2035, fossil fuels will provide about 80% of primary energy. It is therefore critical that non-renewable energy resources be managed efficiently. Mr. Blystad noted “a common classification system could significantly enhance our ability to document and evaluate the potential resource base in a consistent and accurate manner, leading to a more reliable database for global energy studies. The UNFC is such a system and the Norwegian Petroleum Directorate is proud to have been integrally involved in its development since 2002. Development of the classification is not yet finished, as the specifications remain to be finalized and those need to be at hand for the system to be complete. Thus, the coming years will be critical." Specifications are the secondary rules necessary to ensure an appropriate level of consistency in application of the UNFC.

Dr. Ian Lambert, Group Leader of Geoscience Australia, underlined the value of the UNFC as a universal template. Geoscience Australia is a Government agency that evaluates Australia's national stocks of minerals and energy resources. "Industry, financial, national and international resource reporting systems should be mapped to a universal template – the UNFC 2009 – to clarify the similarities and differences between systems in use around the world" observed Dr. Lambert. "Currently, at national and international levels, we are comparing and adding estimates that are not compatible, and this is an unsatisfactory situation."

Dr. Satinder Purewal highlighted that many oil and gas company's classification systems can be mapped to UNFC 2009 without major modifications. The UNFC is well suited for comparing volumes between different systems - volumes seem not affected.

Some CCOP Member Countries presented their national classification system. A group exercise on mapping of national system to UNFC was also conducted. Some outcomes and conclusions drawn from the workshop are as follows:

1. The UNFC 2009 can be an "umbrella" system for oil & gas, minerals and other resources classification. Since each country have their own classification, using the UNFC as a common code, it is possible to compare resources (& reserves) on equal basis. The CCOP countries will monitor the development of UNFC 2009, particularly the generic specifications.
2. The UNFC will help Member Countries in developing policies for sustainable resource management, deployment of technologies and cost effective financial management to support resource development
3. Member Countries that has a national classification system are able to map their system to the UNFC 2009
4. Those countries that do not have a national resource classification system are encouraged to apply the UNFC 2009.
5. Participants are encouraged to continue with the mapping and internal discussions when they return to they return home. Any mapping and UNFC 2009-related questions/comments has to be communicated to the Technical Secretariat who will then forward to the EGRC resource persons.
6. General feedback from the participants: "...more time for mapping exercises and discussions should be allocated the next time".

All participants received their certificate of participation and a usb memory disk containing all the relevant documents of the workshop. These documents, including photos taken during the workshop, will be posted in the EPPM website www.ccop.or.th/eppm for free circulation and download.