



Capturing Value with UNFC

-IRM and how it supports innovation and new business models

Satinder Purewal – Chair of PWG



- Petroleum Work Group (PWG)
 - Vision/Mission
 - Recent Activities
 - Projects 2018-19
- Integrated Resource Management (IRM)
 - IRM Paper
 - UNFC SWOT
- Capturing Value
 - How, when, where and why?
 - With whom?
 - Adding Value
- Future Plan
 - Projects 2018-19
 - Potential Workshops
- Closing Remarks





■ Vision

- PWG vision is to be the premier Petroleum expertise repository for the Expert Group on Resource Classification with the primary goal of achieving Sustainable Development Goals through implementation of UNFC globally as a total resource classification and management system.



■ Mission

- PWG mission is to proactively work with country stake holders, develop UNFC petroleum specifications and guidelines, conduct pilot studies, hold workshops, promote uptake of UNFC in interested countries, provide advice on the realization of Sustainable Development Goals.

PWG Recent Activities

Documents



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- Paper on IRM
- Petroleum Work Group TOR
- Proposal for a UNFC Trust Fund
 - Memo sent to UNECE
 - Outline on raising funds for UNFC
- BD's for UNFC to Chinese system for Petroleum
- Case Studies
 - CS1: Field A in West Siberia
 - CS2: Structure S in West Siberia
 - CS3: TB Initiated



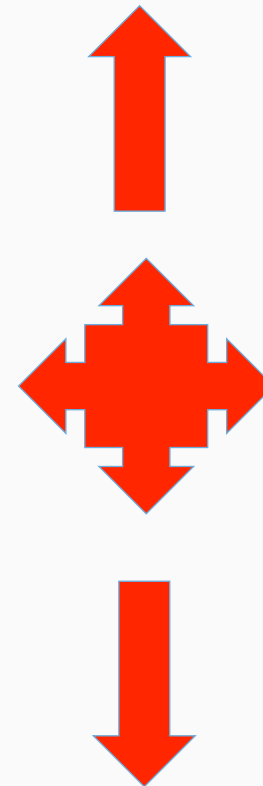
PWG Paper on IRM-1

UNFC at Crossroads



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- Look Back
 - Achievements since 2009
 - Creating UNFC awareness
 - Bridging documents
 - Workshops
- Look Around
 - PRMS, CRISCO, NPD, Russian, Chinese
 - Other classification systems
 - Need integrated approach
- Look Ahead
 - Opportunity via IRM
 - Deliver UNFC objective for SDG's
 - Raise funds (Trust Fund?)
 - Pilot project
 - Expand to other regions



PWG Paper on IRM-2

Timeline



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- PWG formed during August-October 2017
- Discussions with UNECE secretariat and future direction of UNFC
- PWG prepared draft document in Q4 2017
- Published final version in January 2018 (English, French and Russian)
- Presented to the UNFC Workshop on 24 April 2018
- Pilot to be initiated in Mexico (June 2018)



Document Title: ‘Application of the United Nations Framework Classification for Integrated Resource Management for petroleum and total resources by National Oil Companies and government regulators’

PWG Paper on IRM-3

Overall Objective of IRM



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- **Integrated Resource Management (IRM)**
 - Aligned assessment of Total Resources (minerals, petroleum, renewables, etc.)
 - Classification and further actions (such as detailed studies, including market analysis, obtaining regulatory approvals, securing project finance, etc.) to increase project maturity (E and F axes)
 - Integrated Resource Reporting
 - For NOC's, Resource regulators and other Government agencies



PWG Paper on IRM-4

IRM Objectives



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- Increase uptake of UNFC globally
 - Integration of national resource value
 - Enhance and optimise total resource value
 - Provide clarity
 - Decision tool for making Energy policy decisions

- Pilot Project
 - Initially for Petroleum
 - Expand to include other Resources



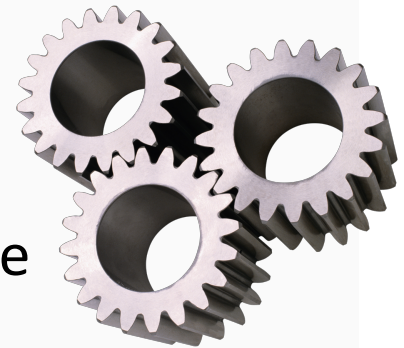
PWG Paper on IRM-5

Benefits of IRM



Adoption of UNFC for IRM will provide:

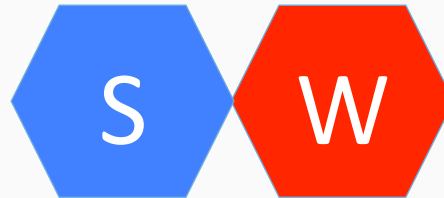
- Assistance with energy policy direction and decision making
- Assistance with regulatory policy direction
- Consistency in disparate resource value capture
- Integration of conventional and unconventional resource management
- Incorporation of sustainability considerations (e.g., environmental and social aspects)
- Increased transparency and reliability for resources management.





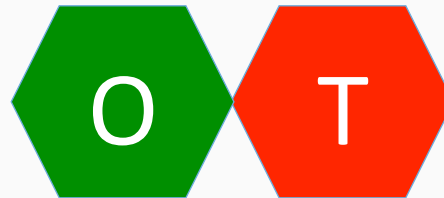
Strengths

- Numeric
- Covers all resources
- Uniquely captures socio-Economic issues
- Project based
- Maps to other systems
- 'Umbrella' Resource management System'



Weaknesses

- Too complex due to 3D architecture
- Compromises mapping to other systems
- Slow uptake globally
- Perception (as a threat to other systems - This is also a S/O/T)



Opportunities

- Integrated Resource Management (IRM)
- With NOC's and Government Regulators
- Workshops to promote UNFC globally
- Pilot Projects (test UNFC)

Threats

- Lack of uptake and support globally
- Other classification systems
- Potential marginalisation

Capturing Value

How, When, Where and Why?



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- How
 - Promote UNFC uptake globally
 - Targeted countries
- When
 - After EGRC 9 Meeting
 - Q2/Q3 2018+
- Where
 - Initial Pilot(s) in two to four countries
 - Based on outcome, roll out to other countries
- Why
 - It's the correct timed opportunity for UNFC
 - Right Niche as the IRM tool
 - 2 year window



Capturing Value

With whom?



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- NOC's
- Government Regulators
- National Energy Policy Agencies
- Others





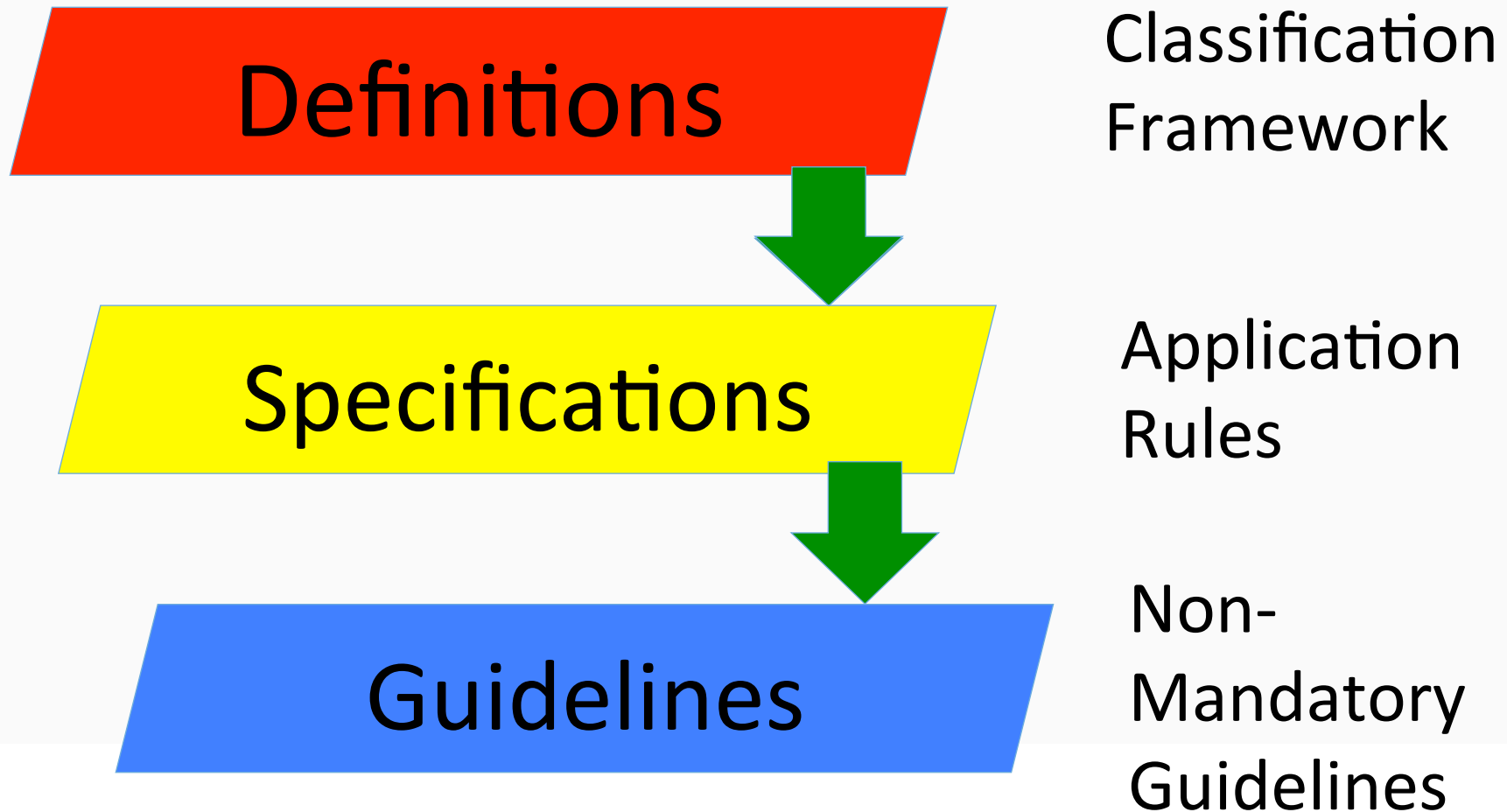
- Petroleum Specifications and Applications
 - Initiated May 2018
- Comparison between PRMS, COGEH and other classification systems
 - Initiated May 2018
- Mapping of updated PRMS to UNFC
 - Expected start July 2018
- Case Studies
 - RF2013 and UNFC; PRMS and UNFC (expected start January 2019)
 - Chinese Classification System and UNFC (expected start September 2018)

PWG Project

UNFC Specifications and Guidelines for Petroleum



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Future Plan-1

Potential Workshops



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- One or two target countries
 - Based on IRM model
 - One of projects can be the driver
- Africa
 - Based on further discussions and using IRM model
- Mexico
 - Workshop 18-21 June 2018
 - Six month Pilot project to be initiated in July
- Others
 - Based on discussions with requirement and requests from other countries
-All subject to extra –budgetary funds made available..



Future Plan-2

Delivering Workshops



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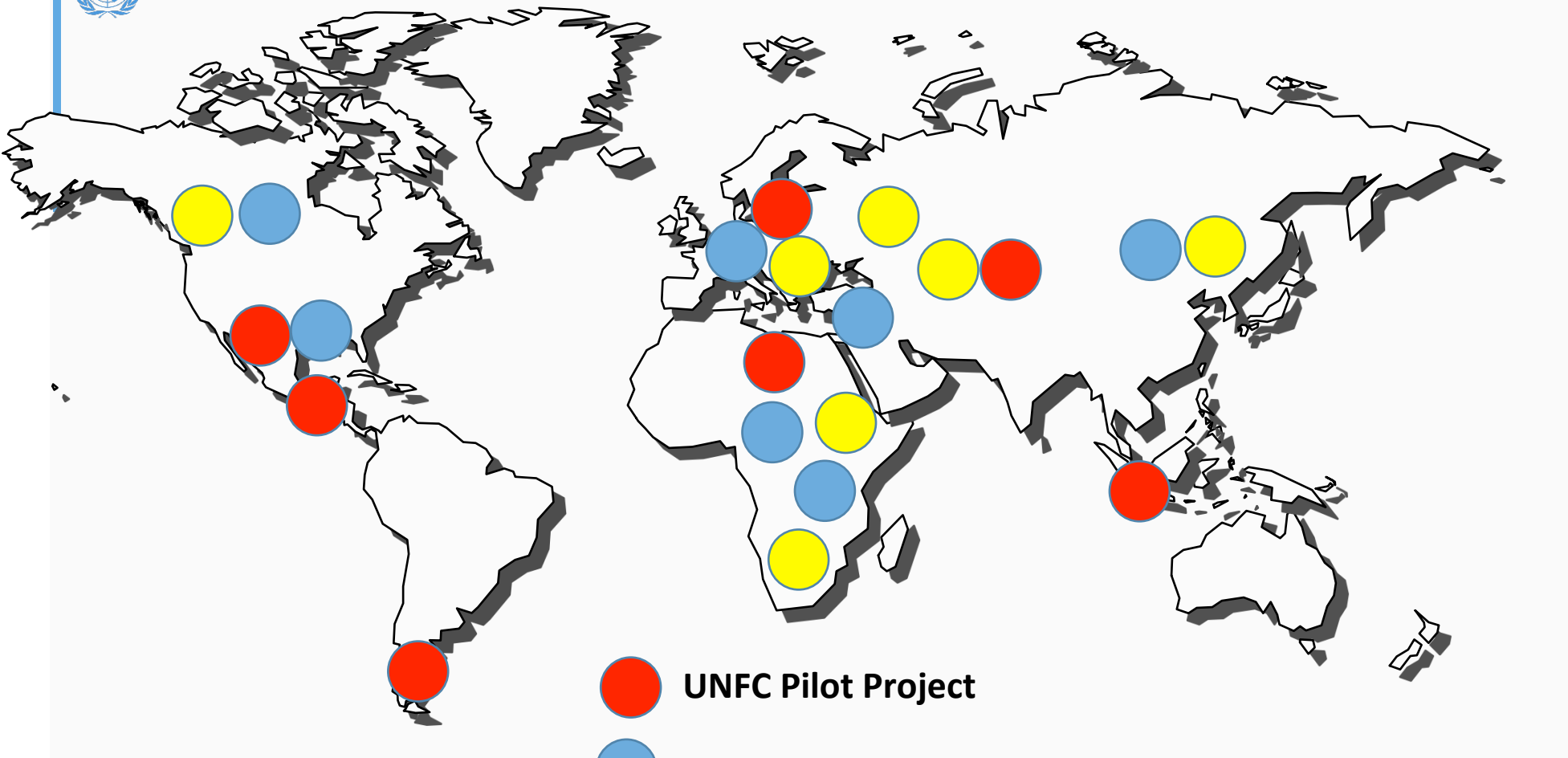
- Organise focused UNFC workshops
 - Clearly defined purpose (add value – see next slide)
- Workshops part of Pilot
 - Case studies
- Target countries with specific requirements
 - Up to four countries initially
- Create partnerships
 - With workshop providers (NGO's)
 - UNFC experts



Global Shared Vision



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UNFC Pilot Project



UNFC Potential Pilot Projects



UNFC Workshops Planned

Future Plan-3

Raising Finance



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- Clearly defined plan for sustainable financial support
 - UNFC Trust Fund
- Partnering with training service providers
 - MOU's
 - Clearly defined achievable goals
- Support for specific projects
 - From NOC's, Governments, etc.
 - Need financial disbursement and controls
- Support from NGO's



Future Plan-4

Adding Value



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- Deliver 'fit-for-purpose' advice from UNFC experts
 - Training and guidance on UNFC
 - Workshops with a defined purpose
 - Add incremental value to the country resource base
- Case studies
 - Moving 'seamlessly' from one classification to another
 - Integrated resource reporting
- Value drivers
 - Value cluster
 - Energy security
 - Socio-economic development



UNFC-Fundamental Questions

Answers



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- Is UNFC competing with other classification systems?
 - No
- Is UNFC trying to displace other classification systems?
 - No
- Is UNFC viewed as a threat by other parties and classification systems?
 - Yes and No
- Can UNFC work in parallel with other classification systems and add value?
 - YES

Concluding Remarks



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- Opportunity for NOC's to use UNFC to assist with integrated resource management (IRM) for the nation
- UNFC, as an 'umbrella' classification system, may assist to optimise the resource base of the country via IRM
- UNFC is a useful tool for making energy policy decisions by NOC's, Regulators and Government agencies
- Intiate Pilot project in Mexico (June 2018)
- Expand to other countries based on results
- Thinking 'outside the box' for creative solutions to manage resources
- 3P's...People, Planet, Profits!





Thank you!

Name Surname

Position

UNECE

Date __ | __ | 2018, Place



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