

NORCODE
ANNUAL REPORT 2014

1. 2014 – in short

Since the start in 2007 Norcode's activities have been aimed at meeting the following goals:

- to secure a legal framework that protects the works of the rightsholders
- to build basic associations (associations for performers, authors and others), and
- to give support, both knowledgeably and financially, to the establishment of collective management organisations (CMOs) that can secure rights holders' income from the use of their works.

The Board, with Helge Rønning as Chair and Tarja Koskinen-Olsson as Vice-Chair, was re-elected on the annual meeting in May, with the exception of the representatives from BONO. The work capacity of Norcode's administration has been somewhat decimated in 2014 due to a sick leave by the managing director during a good part of the year. Inger Dirdal, who was recruited in 2013, has ably adjusted to the situation and, together with the board's Vice-Chair, she run the operation in a most satisfying manner.

The total amount allocated to projects in 2014 was NOK 5 048 548, of which NOK 1 860 000 consisted of project support from Norad.

During 2014 Norcode negotiated agreements of cooperation with The World Intellectual Property Organisation, WIPO, and African Regional Intellectual Property Organisation, ARIPO. Over a few years Norcode and the two organisations have harvested from the common endeavour in developing competence and coordinating operations. For Norcode this kind of joint forces has strengthened the association's position in a network, the stakeholders of which are working vigorously to secure the interests of copyright owners in developing countries.

By the end of 2014 Norcode terminated its support to the CMOs KAMP (the producers of music in Kenya), PRISK (the performers of music in Kenya) and likewise its support to VCPMC (the copyright owners of music in Vietnam). These three engagements have combined financial support and the transition of knowledge through personal follow-ups. The projects have proved to be successfully landed, and future engagements will enjoy credit from experiences thus harvested.

Norcode performed an evaluation of the WIPO-Norcode instruction course in 2013. This programme was formally terminated by a follow-up (in the Summer 2014) of the delegates, measuring the impact of the undertaking. The evaluation concluded positively.

In March 2014 Norcode's board and administration arranged a seminar with the intention of summing-up its six years of existence. Norcode is a unique organisation and its *modus operandi* is an original one. Some projects have been successful, whereas in other cases minor results have prevailed. It goes without saying that a combination of financial support, coaching and counselling has been a recipe for success. Thorough pre-qualifications have had a similar effect. The conclusions from this evaluation have inspired the board to review Norcode's strategy and plans. This piece of work will continue in 2015.

Following this strategic planning the board ruled that a pre-qualification, buttressed on the Norcode standard, should be executed prior to the start-up of potentially new projects. It has as well been decided that support to new CMOs should combine counselling, regular follow-ups and financial support.

2014 was the last year of the three years' agreement of cooperation with Norad. Norcode has applied for its prolongation for another three years' period, hoping that Norad will raise its allowance.¹

By the end of 2014 a total of NOK 3 677 636 was set aside for future projects and evaluations. Parts of this amount were already earmarked for projects in progress.

BONO, one of Norcode's founding organisations, announced in December 2014 that it wished to leave its ownership position due to its financial situation.

2. Key Figures

PROFIT AND LOSS ACCOUNT	2014	2013
Contribution and support	7 406 000	7 633 096
<u>Finance revenues</u>	<u>117 354</u>	<u>110 650</u>
Total income	7 523 354	7 743 746
Project support	3 943 744	2 988 715
Deposit for future evaluations	210 000	210 000
Use of existing deposit	(211 169)	(629 024)
Operation costs	2 447 014	2 301 473
<u>Other training- and project costs</u>	<u>1 133 765</u>	<u>2 872 582</u>
Total costs	7 523 354	7 743 746

3. Project support

Norcode's project activities are based upon financial contribution from Norcode's owner organisations. In 2014 the agreed support has been as follows:

BONO	50 000
Gramo	500 000
Kopinor	1 710 000
Norwaco	1 086 000
TONO	1 710 000

In addition Kopinor has granted support to additional joint projects with an amount of NOK 150 000.

3.1 Publications / reproduction

Activities within the field of publications / reproduction in 2014:

Projects co-funded by Norad:

Kopitan – The Reproduction Rights of Society of Tanzania, Ltd.

Kopitan has received support from Kopinor and Norcode since 2009. The main objectives of the support have been to assist Kopitan in building its organisation, negotiate licensing agreements and start the distribution of remuneration to the rightsholders. In 2014 the Tanzanian

¹ Norad has decided that the allowance to Norcode in 2015 - 17 will be prolonged with the same amount as in 2012 - 14

government gave its approval of a proposed compulsory license. The support from Norcode will be terminated in 2014.

URRO – Uganda Reproduction Rights Organisation

URRO received an approval from the Ugandan Government to start its operations in 2011, and received its first grant from Norcode in 2012. Over the years the organisation has achieved well and is planning in 2015 to collect remuneration of some amount for distribution to the rights-holders. Norcode will continue to support URRO in 2015 enabling it to establish professional routines for collecting and distributing remuneration.

VIETRRO – Vietnam Reproduction Rights Organization

VIETRRO has received support from Norcode since 2010. The objectives for the support are increasing the number of members/mandates, negotiate licensing agreements and start the collection of remuneration. VIETRRO signed two licensing agreements with private firms, and they have made progress in their discussions with the government on the possibility to enter into licensing agreements with schools and universities in the beginning of 2015. Norcode will terminate its support in 2015.

Projects without co-funding from Norad:

KENFAA – Kenya Non-Fiction and Academic Authors Association

Norcode and The Norwegian Non-fiction Authors and Translators Association, NFF, have supported the activities of KENFAA on several occasions. KENFAA is an important member of the Kenyan Reproduction Rights Organisation, KOPIKEN. The two organisations are working closely together to promote copyright and secure licensing income to be distributed to their members.

VANFAA – Vietnam Association of Non-Fiction Authors

In cooperation with The Norwegian Non-fiction Authors and Translators Association, NFF, support has been granted to the non-fiction authors' association in Vietnam. The support is offered to enable the Vietnamese to enhance VIETRO, which is in need of a solid authorisation from the non-fiction authors in order to succeed in its task.

Kopinor-Norcode seminar for text organisations in East Africa

In 2014, the third year in a row, Kopinor and Norcode invited representatives from the text organisations in East Africa to a gathering in order to review annual reports, share experiences and build competence. The venue took place in Kampala, Uganda, in April, and once more proved to be very useful as an inspiration to pursue cross border cooperation.

3.2 Music

Activities within the field of music in 2014:

Projects co-funded by Norad:

KAMP – Kenya Association of Music Producers

KAMP has since the end of 2010 been given assistance and support from Norcode through a coaching programme and annual grants. KAMP, together with PRISK, has made significant progress towards becoming a self-sufficient association. Norcode has continued to support

KAMP in 2014, which will be the last year of assistance, and is satisfied with the financial support and the transfer of knowledge that has been rendered to the organisation during four years.

PRISK - Performers Rights Society of Kenya

PRISK has received support from Norcode since 2011. The organisation has succeeded in increasing the collected remuneration in 2014, and it has made considerable efforts in order to prepare for distribution to the rightsholders.

Together KAMP and PRISK have developed a proper management and distribution system, which might be adopted by other CMOs working in the music area. Norcode has decided to terminate the support to PRISK after 2014.

MRCSN – Music Royalty Collection Society of Nepal

Norcode has supported the music copyright CMO, MRCSN, since 2010. MRCSN has signed licensing agreements, collected remuneration and are in the early stages of distributing remuneration to rightsholders. Further support is needed and it is decided to continue the support from Norcode in 2015 in combination with closer follow-ups and regular transfer of relevant knowledge.

PSN – Performers Society of Nepal

PSN has received support from Norcode since 2013. Their main focus has been on establishing a management team and link up with the copyright society in Nepal. They have a close relationship with MRCSN. PSN is aiming for a stronger legal position for their members in the on-going amendment process of the copyright law. The support to PSN for 2014 will continue given certain criteria.

VCPMC – Vietnam Center for Protection of Music Copyright

After running a successful project from 2009 through 2011, Norcode and VCPMC signed an agreement on continued support in 2012. The new three-year-project is aiming to strengthen VCPMC's distribution to its members, by expanding and ensure the quality of the content of a Vietnamese music database and by developing VCPMC's distribution routines and systems. The project is developing as planned and will be terminated as planned by the end of 2014.

GHAMRO - The Ghana Music Rights Organisation

GHAMRO is a newly established collective management organisation covering both copyright and related rights in the field of music. An interim board has run the organisation during the three last years, aiming at an ordinary annual meeting and the democratic election of a permanent board. Norcode has supported GHAMRO by linking the organisation to its sister organisation in Nigeria, COSON; chief Tony Okoroji from COSON has been hired by Norcode as a counsellor in this process. In accord with the Ghanaian authorities this counselling will continue until the election of the permanent board in February 2015.

SOMAS – Associacao Mocambicana de Autores

SOMAS is a CMO representing all rightsholders in Mosambik. The association has so far prioritized the music field. SOMAS has received support in 2014 enabling it to enhance the organisation pursuing the managing director's attendance at the WIPO-Norcode training course in 2013. The association has been successful in negotiating several licensing agreements and is doing well in their preparation for distributing collected funds to its members. SOMAS has a satisfactory turnover and will not be in need of additional support. For that reason Norcode's engagement will be terminated by the end of 2014.

Projects without co-funding from Norad:

Mentor project – TONO / Copyright Society of Nigeria, COSON

The pilot project Norcode successfully established in 2012 continued in 2014 Inger Elise Mey from Norwegian TONO has acted as mentor to Chinedu Angus Chukwuji, General Manager of COSON. The project has been focusing on specific issues related to online licensing, and has been done by Skype conversations. The project has been very successful, and has supplied Norcode with insights, which will help to identify and establish other similar mentor programmes.

DARNA – Digital Arabic Repertoire and Network Aggregator, Palestina

The Norwegian Phonofile has for some time cooperated with DARNA to secure Palestinian artists' access to the digital marketplace for music. DARNA is a project which is run by the University College of music in Birzeit. Norcode has in cooperation with Phonofile rendered support to a project aiming at the marketing and distribution of music through digital channels and social media.

DISTRO – presentation of software from Kenya in South-East Africa

The two CMOs in Kenya, KAMP and PRISK, have developed a software for the administration of remuneration. The programme was implemented in 2014 pursuing a review visit to GRAMO, Oslo, in May. The CMOs in Vietnam and Philippines initiated a presentation of the programme in Manila in November; Norcode funded this event.

3.3 Audiovisual / visual arts

Activities within the field of audio-visual / visual art in 2014:

Projects co-funded by Norad:

AVRS – Audiovisual Rights Society of Nigeria

AVRS was registered as a company and ready to start its activities in 2013, and was granted support from Norcode upon receiving the authorisation. The support will continue in 2014, and AVRS will receive support both through financial resources and knowledge. The support from Norcode will continue in 2015.

Projects without co-funding from Norad

SAVA - Asociación de Artistas Visuales Argentinos

SAVA is an Argentinian CMO for Visual Arts. The organisation is established and has started collecting remuneration on behalf of both domestic and international rightsholders. Norcode has supported SAVA since 2011 and continued its support to SAVA in 2014. The organisation has started to collect remuneration and has made significant progress in order to become self-sufficient. Norcode will terminate its support to SAVA in 2014.

3.4 Other copyright related activities

Projects under the heading “Other copyright related activities” were as follows in 2013:

Projects co-funded by Norad:

WIPO modules

WIPO has extensive course packages dealing with copyright issues. In 2014 an instruction programme in the management of rights was published on the World Wide Web. WIPO received financial support from Norcode helping to facilitate publication of the six modules of which the programme consists. Norcode is enthusiastic about the fact that teaching has therefor entered into partnership with WIPO in this area. The modules are made available on WIPO’s and Norcode’s websites.

Projects with additional support from The Ministry of Foreign Affairs

ARIPO-Norcode workshop, Harare

The workshop was a follow-up of a similar gathering in 2012 where WIPO as well co-hosted the event. WIPO stepped down from the partnership in 2014 due to security reasons. ARIPO and Norcode executed a successful venue for representatives of CMOs from 16 countries. ARIPO’s review of the development of the rights’ management systems in the member states triggered important discussions about a variety of copyright issues, about the value of cross border cooperation, and - finally - developing common systems and management procedures.

Projects without co-funding from Norad:

Zimbabwe International Bookfair – INDABA

The INDABA is an annual conference held in connection to the Zimbabwe International Bookfair, ZIBFA. ZIBFA is an umbrella organisation working closely with the basic associations and CMOs in the country. ZIBFA is aiming to strengthen the position of literature and copyright in the country. Norcode, in cooperation with Kopinor, was sponsoring the conference in 2014. The Fair had participants from all over the Southern Africa.

COSLIB – Copyright Society of Liberia

An initiative has been made to establish a multipurpose CMO in Liberia. Pursuing Ernest Bruce’s attendance at the WIPO-Norcode training course in 2013, Svein Korshamn, TONO and Tony Okoroji, COSON, Nigeria, have been Bruce’s counsellors in order to meet this end. Norcode received an application for financial support from COSLIB and asked Mr Okoroji to undertake a preliminary mission in accordance with Norcode’s standards. He suggested that Norcode should initiate a project in Liberia, commencing in 2015. The fulfilment of the project will be adjusted according to the security situation in the land.

RSAU – Rwandan Society of Authors

A multipurpose organisation has been founded in Rwanda. The association is in need of resources both knowledgably and financially, and has applied to Norcode for support. Norcode asked Thato Mokobi in COSBOTS, Botswana, to undertake a preview investigation in accordance with Norcode’s standards. Mr Mokobi has concluded that Norcode ought to initiate a project in Rwanda when certain circumstances are met. The plans are that Norcode intends to start operation in Rwanda in 2015

3.5 International cooperation

Norcode has through the year been meeting with its international partners. Among these partners are The International Federation of Reproduction Rights Organisations (IFRRO), The International Confederation of Societies of Authors and Composers (CISAC), The Societies' Council for the Collective Management of Performers' Rights (SCAPR), International Federation of the Phonographic Industry (IFPI); African Regional Intellectual Property Organisation (ARIPO) and The World Intellectual Property Organization (WIPO).

3.6 Visiting partners

Visits to partner organisations which Norcode has supplied with funding, are important means of reviewing and following-up of its projects. During 2014 representatives from Norcode have visited the following partner organisations:

Kenya – Kenya Association of Music Producers, KAMP and Performers Rights Society of Kenya, PRISK

Nepal – Music Royalty Collection Society of Nepal, MRCSN and Performers' Rights Society of Nepal, PSN

Vietnam – Vietnam Center for Protection of Music Copyright, VCPMC and Vietnam Reproduction Rights Organisation, VIETRRO.

In addition representatives from Norcode got the opportunity to meet with representatives from a selected number of partners during the Kopinor-Norcode seminar in Kampala in March and during the ARIPO-Norcode workshop in Harare in November.

3.7 Evaluation

Norcode has an on-going evaluation of its projects and programmes. As Norcode has been in operation for seven years, parts of the project activities are ready to be externally evaluated. In 2014 the WIPO-Norcode instruction programme (in 2013) was evaluated by Bo Hallgren. The 2013-event was the third of its kind, which has been evaluated by Hallgren. The report had a positive conclusion and listed several useful issues to be considered when updating Norcode's strategies and plans. The evaluation report was presented for the Norcode Board in December 2014.

4. Organisation

4.1 Annual meeting 2014

The Annual Meeting took place on May 19th 2014 at Norwaco in Oslo. Voting delegates were:

BONO: Kristin Rød (Chair) and Atle Aas (Deputy Member of the Board)

TONO: Willy Martinsen (Director of Communication)

Kopinor: Arne Magnus (Vice-Chair) and Trond Andreassen (Member of the Board)

Norwaco: Johannes de Vries (Chair) and Sverre Pedersen (Member of the Board)

Gramo: Knut Aafløy (Deputy Member of the Board)

4.2 The Board 2014

The Board of Norcode, elected at the Annual Meeting 2014:

Helge Rønning – Chair

Tarja Koskinen-Olsson – Vice-Chair

Kristine Farstadvoll, BONO (new) – Dep: Harald Holter (new)

Martin Grøndahl, Gramo – Dep: Tor Bernhardsen

Hans-Petter Fuglerud, Kopinor – Dep: Yngve Slettholm

Elin Urkedal, Norwaco – Dep: Cathrine Nagell

Svein Korshamn, TONO – Dep: Cato Strøm

4.3 Election committee

The Election Committee 2014/2015:

Hilde Sjeggstad, Legal Adviser Norwegian Visual Artists Association

Sverre Pedersen, Union Leader, the Norwegian Film Union

Åse Hedstrøm, Chair of the Board TONO

Dep: Marte Thorsby, Managing Director IFPI-Norge

4.4 The Board's activities

The Board has had six meetings in 2014. The main objective for the Board has been to secure a continuing positive development for the organisation, both regarding management, projects, economy, international networks and the involvement and ownership from the Norwegian Member organisations.

5. Accounting and Auditing

Tinto Regnskap AS has been Norcode's accountant since october 2010.

The Association's Auditor is Chartered Auditor Kåre Uppstrøm, Grimsrud & Co., Oslo. In accordance with Norad's regulations the auditor procedures of Norcode were reviewed and altered.

6. Management

Norcode has had its offices in the premises of Gramo in Karl Johansgate 21. Sharing offices with one of the owners has represented a huge benefit for the management of Norcode, and Norcode will thus try to continue this kind of office sharing in the years to come.

6.1 Staff

In 2014 Norcode's management has consisted of Frode Løvik, Managing Director, and Inger Dirdal, special adviser, in a 50% position. During Mr Løvik's sick leave Ms Dirdal held a 80% position and served as the association's Managing Director for the second half of the year. In this period the vice-chair, Tarja Koskinen-Olsson, served as a working vice-chair.

Sæmund Fiskvik has continued his part-time position as Coach and Mentor for a selected number of Norcode partners.

6.2 Management activities

The management is responsible for the full range of Norcode's daily operations, including project management, partner follow-up, maintenance and development of Norcode's international network, communication work, applications and income generating activities, as well as the preparations of the meetings of the Board of Norcode.

6.3 Gender equality

The Management of Norcode has both men and women. Gender equality is also a subject included in Norcode's follow-up of its partners. Norcode has registered an increase in the number of women as Directors in the partner organisations. The recruitment process of these organisations is not a Norcode responsibility, but Norcode will give priority to the support and training of these Directors.

6.4 Health and environment

The Managing Director was on a sick leave full-time and part-time for nearly five months in the end of the year. The sick leave was partly related to his job. The occupational environment is regarded as good, and no special means has been initiated in this respect in 2014. There have neither been any personal damages related to the 2014-activities.

Except for international travels to visit partners and maintain its international network, the activities of Norcode have minor impact on the external environment, and are not regulated by any environmental licenses and regulations.

7. Conclusion

Norcode is a healthy and vital organisation provided with the necessary recourses to continue its operations.

In the Board of Norcode, Oslo 31.12.2014/18.03.2015

Helge Rønning, Chair
(sign.)

Tarja Koskinen-Olsson, Vice-Chair
(sign.)

Harald Holter
(sign.)

Martin Grøndahl
(sign.)

Elin Urkedal
(sign.)

Hans-Petter Fuglerud
(sign.)

Svein Korshamn
(sign.)

Frode Løvik, Managing Director
(sign.)