

NORCODE

ANNUAL REPORT 2015

---

## 1. 2015 – Summarized

### Highlights and milestones in 2015

- Seminars, Workshops and Conferences in 2015:
  - Shared experiences course with NORCODEs advisors for Africa in Johannesburg (February)
  - Participation in the Norwegian Ministry of Foreign Affairs' embassy meeting in New Delhi (March)
  - Kopinor-NORCODE regional gathering for reprographic organizations in Harare (March)
  - TONO-NORCODE workshop in Oslo (May)
  - WIPO-NORCODE seminar in Oslo (June)
  - Coordination meeting with WIPO and other organizations in Geneva (June)
  - Copyright workshop NCC-WIPO-NORCODE-IFRRO in Lagos (September)
- Substantial progress made in NORCODEs projects, especially in Kenya, Nepal and Nigeria
- New engagement/project startup in Rwanda
- The finalization of NORCODEs projects in Kenya and Uganda
- Completed feasibility studies for projects in the Nigeria, Philippines, Uganda and Vietnam
- Decision taken to start projects in the Philippines and Vietnam in 2016 and feasibility studies in India
- New Chairman of the Board from May 2015: Bendik Hofseth
- New Managing Director from December 2015: Inger Dirdal
- New NORCODE strategy, communications strategy and financing.

### Seminars, Workshops and Conferences

One of NORCODEs main focuses is the continued improvement of competence in the field of copyright management.

In February, NORCODE arranged a meeting in Johannesburg for the NORCODE advisors for Africa with the purpose of exchanging experiences and to develop a common strategy for the strengthening of the consultancy work for CMOs on the African continent.

In March, the Norwegian Ministry of Foreign Affairs arranged a meeting at the Norwegian embassy in New Delhi for several cultural embassy representatives from Asian countries. At this meeting, NORCODE presented its work in the copyright field in Asia.

In March, Kopinor and NORCODE co-hosted a gathering of East African reprographic organizations in Harare, Zimbabwe. The main focus of the meeting was to share experiences and improve the competence of the organizations.

NORCODE hosted a workshop in collaboration with TONO on the licensing of digital musical works in May 2015(Oslo). Six participants were invited to the four-day long workshop.

In June, NORCODE and WIPO arranged a seminar entitled “Exercise and Management of Copyright and Related Rights” for the fourth time. 19 representatives from 18 countries gathered in Oslo, Norway for two weeks. The participating countries were: Bangladesh, Botswana, Cambodia, Chile, Ethiopia, Ghana, the Ivory Coast, Jordan, Kenya, Namibia, Nepal, Nigeria, the Philippines, Trinidad & Tobago, Tunisia, Uganda, Zambia and Zanzibar. The planned follow up week was to be held in Tunis, Tunisia in November, but was postponed and moved to Windhoek, Namibia in February 2016 due to security concerns in Tunisia.

In July, WIPO invited all organizations involved in the work of strengthening and structuring CMOs in developing countries to a conference in Geneva. Along with NORCODE, there were

representatives from CISAC, IFRRO, IFPI, and SCAPR. The main focus of the conference was better co-ordination of the collective work in this area.

In September, the Nigeria Copyright Commission (NCC) arranged a workshop in collaboration with WIPO, NORCODE and IFRRO in Lagos, with the goal of strengthening the copyright and the local CMOs in Nigeria. Representatives from the three local CMOs: AVRS, COSON and REPRONIG all participated.

### **Progress in NORCODEs projects in 2015**

NORCODE's current projects have shown substantial progress in 2015 – especially in Kenya, Nepal and Nigeria.

In Kenya, NORCODE continued its cooperation with PRISK (performers) and KAMP (producers) in the music field. Training was carried out for these projects in the first half of 2015, although NORCODE ceased operational support in 2014.

In Nigeria, NORCODE cooperated with AVRS in the audiovisual works and film field through operational support and learning resources. NORCODE is also participating in a multi-stakeholder effort to revitalize REPRONIG in the reprographic field in Nigeria.

In Nepal, NORCODEs cooperated with MRCSN (composers) and PSN (performers) in the music field. Both projects made good progress in 2015 until the tragic earthquake in April, which resulted in a major setback that lasted until fall the same year. NORCODE supported their work through operational support and training. This cooperation will continue in 2016.

In Tanzania, NORCODE cooperated with KOPITAN in the reprographic field. The project was planned to finish in late 2015 but has been prolonged to finish in mid 2016.

In Liberia, COSLIB was granted funding from NORCODE in 2015 to help set up a copyright organization that would deal with multiple copyright areas. Due to the outbreak of Ebola in late 2014 the project came to a halt and was later disbanded.

In Ghana, NORCODE assisted GHAMRO, a music CMO, with establishing good governance for the administration and board.

The total costs of NORCODEs projects came to NOK 5 690 761, of which NORAD funded NOK 1 860 000.

### **Startup in Rwanda**

NORCODE conducted a feasibility study in Rwanda in 2014, which resulted in an agreement and the startup of a new project with a newly established CMO, RSAU. Over time RSAU is to become a multi-disciplinary CMO with multiple fields of management. In the introductory phase the main focus will be the music field. NORCODE supports the project through training and operational support.

### **Completed projects in Kenya and Uganda / Evaluation in the Philippines**

In the fall of 2015, NORCODE completed an evaluation of the projects with PRISK (performers) and KAMP (producers) in Kenya. The conclusion was that the projects were successful and that the goal of establishing self-sufficient CMOs had been achieved.

At the end of 2015, NORCODE ceased its support for the reprographic CMOs URRO (Uganda) and VIETRRO (Vietnam). Both projects had been ongoing for several years. These projects have not yet been evaluated.

NORCODE's work with FILCOLS in the reprographic field in the Philippines was concluded in the end of 2013. The final evaluation of the project was completed in early 2015. It concluded that although a sustainable and functional CMO has been established, the organization remained vulnerable.

### **Completed feasibility studies in 2015**

In 2015, feasibility studies in the music field for performers in the Philippines and Vietnam, and in the audiovisual field in Uganda were completed. In both Vietnam and the Philippines the results were positive and recommended the startup of projects there in 2016. The results from Uganda were negative and therefore NORCODE will not carry out activities in Uganda in 2016 (the work with URRO in the reprographic field was concluded in 2015).

### **New projects in 2016**

The Philippines and Vietnam performers sectors will be new projects for NORCODE in 2016 based on feasibility studies conducted in 2015.

In India, NORCODE will conduct a feasibility studies in the music and audiovisual field.

In Zanzibar, NORCODE will complete a limited training project to strengthen the local multi-disciplinary CMO, COSOZA.

### **Organizational changes in NORCODE**

Bendik Hofseth was elected Chairman of the Board at the annual general meeting in May 2015. The AGM concluded that there was no need for the election of a new external Vice-Chair after Tarja Koskinen-Olsson's resignation. In the fall of 2014, The AGM was informed that BONO withdrew as a member organization of NORCODE from January 1st 2015 due to limited financial means. The board members from the other four member organizations were re-elected.

Former Managing Director Frode Løvik resigned from his position at NORCODE in May 2015 and Mads Liland took over as his temporary successor until November 30th. The position was publically announced and received close to 20 applicants. The process was concluded in the fall of 2015 with Inger Dirdal hired as the new Managing Director as of December 1st 2015.

### **Strategy seminar and priority changes**

NORCODE completed an internal strategy seminar in October that also received external inputs through channels such as the NORAD evaluation (mentioned in 3.3).

In 2014, NORCODE decided to implement feasibility studies as a permanent measure before the start-up of new projects. This method was used in 2015 and will continue in 2016. It was also decided to split the funding into operational support and the coverage of costs of training and guidance to secure the success of supported projects.

In 2015, NORAD recommended that NORCODE focus on fewer projects. This falls in line with NORCODEs own strategic reasoning. The work to develop a more concentrated project portfolio is ongoing and will continue in 2016.

The long term financing of NORCODE will have a higher priority in 2016. The funding NORAD provides will come to an end in 2017. As part of this prioritization, NORCODE will increase the extent of external communication to better communicate the value and contribution the organization provides internationally. The three-year agreement of the member organizations to support NORCODE comes into its final year in 2016.

## 2. Key Figures

PROFIT AND LOSS ACCOUNT	2015	2014
Contribution and support	7 434 500	7 406 000
Finance revenues	57 050	117 354
Total income	7 491 550	7 523 354
Project support	2 010 000	3 453 992
Other training- and project costs	3 475 653	1 529 244
Deposit for future evaluations	0	210 000
Use of existing deposit	(164 894)	(211 169)
Operation costs	2 170 791	2 541 287
Total costs	7 491 550	7 523 354

## 3. Project support

NORCODE has had specific goals since its startup in 2007:

- To secure legislation that protects rights owners' works and intellectual property.
- To create organizations and unions for performers, authors etc.
- To provide aid through shared competence, funds and establishment of collection societies that secure rights owners' income for the use of their works.

NORCODE's project activities are based upon financial contributions from NORCODE's member organizations. In 2015 the agreed financial support was as follows:

Gramo	500 000
Kopinor	1 710 000
Norwaco	814 500
TONO	1 710 000

NORAD granted an additional NOK 2 000 000 and the Norwegian Ministry of Foreign Affairs granted NOK 700 000 in additional project funds.

### 3.1 Projects with local CMOs

#### KOPITAN – The Reproduction Rights Society of Tanzania, Ltd.

KOPITAN is a reprographic CMO that operates an agent for COSOTA (Copyright Society of Tanzania). In 2014, regulation regarding compensation fees for use of copyrighted works in educational institutions was passed. As a result, KOPITAN started invoicing universities. *The Vice Chancellors Forum* protested this and asked the Attorney General to restrict the right to copy under *fair use*. They then questioned the legality of KOPITAN as a CMO, which brought the licensing to a halt until the complaint is processed. NORCODE will continue its support through the first half of 2016.

NORCODE has worked with KOPITAN since 2009.

#### URRO – Uganda Reproduction Rights Organization

URRO is a reprographic CMO that NORCODE stopped supporting at the end of 2015. URRO has achieved good results with its work against copyright piracy in Uganda and has developed a system whereby all legal copies are imprinted with holograms.

NORCODE worked with URRO from 2012 – 2015.

KAMP – Kenya Association of Music Producers

KAMP is a CMO for music producers in Kenya that has gotten its collection ability up to a level where they have become self-sufficient. KAMP and PRISK (see below) are working closely through shared collection and administrative infrastructure. NORCODE ceased operational support in 2015 but continued training in the first half of 2015. KAMP is an example of a NORCODE-supported success, as mentioned in the external evaluation.

NORCODE worked with KAMP from 2010 – 2015.

PRISK - Performers Rights Society of Kenya

PRISK is a CMO for performers in Kenya that has also become self-sufficient. This success is partially a result of the close cooperation between producers and performers. The internally developed system for management and distribution, DISTRO, has been put to use and is proving to work well. PRISK received training in the first half of 2015.

NORCODE worked with PRISK from 2011 – 2015

RSAU - Rwanda Society of Authors

RSAU is a CMO that covers all fields of rights in Rwanda. In its starting phase the organization elected to focus on the music field. The Government of Rwanda is very positive about the establishment of RSAU. RDB (Rwanda Development Board) has granted funds in the establishment phase and has promised further support to the CMO. In late 2015, the approval of the suggested tariffs within all fields of copyright was still pending. NORCODE will continue its support in 2016.

NORCODE began work with RSAU in 2015.

AVRS – Audiovisual Rights Society of Nigeria

AVRS was finally granted approval as a CMO in 2014. In 2015, NORCODE continued to help build the organization and establish licensing arrangements. Nigeria has implemented a statutory fee on use of recorded media. It has been decided that the three CMOs shall each receive 20% of the collections and further distribute it. NORCODE will continue its support in 2016.

NORCODE has worked with AVRS since 2013.

GHAMRO – Ghana Music Rights Organization

GHAMRO is a CMO for rights owners in the music field in Ghana. In 2015, NORCODE assisted GHAMRO in establishing routines for board work and defining the responsibilities of the board and the management.

NORCODE has worked with GHAMRO since 2012.

VIETRRO – Vietnam Reproduction Rights Organization

VIETRRO is a reprographic CMO in Vietnam that has been supported by NORCODE for a long time. 2015 was the last year VIETRRO received operational support. The organization had a change of leadership in 2015, which posed a possible risk to the further development of the project.

NORCODE worked with VIETRRO from 2010 – 2015.

MRCNSN – Music Royalty Collection Society of Nepal

MRCNSN is a CMO for composers in Nepal that has slowly but steadily improved its collection ability. The development came to a halt for about six months as a result of the major earthquake in April 2015, only to resume work in late 2015. The Government of Nepal has given very positive signals regarding the regulation of collections. NORCODE carried a motion to continue its support in 2016.

NORCODE has worked with MRCNSN since 2010.

PSN – Performers Society of Nepal

PSN is a CMO for musical performers in Nepal. MRCNSN, PSN and MPSN (music producers) have come together to form a joint licensing arrangement in Nepal. NORCODE is working towards the model used in Kenya through the establishment of a better arrangement between producers and PSN in distribution, administration and collection. NORCODE will continue its support in 2016.

NORCODE has worked with PSN since 2013.

### 3.2 International partners

NORCODE has held meetings with its international partners throughout the year. Amongst these are The International Federation of Reproduction Rights Organizations (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 Organization (ARIPO) and The World Intellectual Property Organization (WIPO).

### 3.3 Evaluation

NORCODE's internal project evaluations are mentioned under 3.1.

In 2015, NORAD conducted an external evaluation of NORCODE's work through its engagements in Uganda. The core feedback was a recommendation to further the work to reduce the total number of projects. NORAD's recommendations will be followed up on in 2016.

## 4. Organization

### 4.1 Annual Meeting 2015

The Annual Meeting took place on May 21st 2015 at Norwaco in Oslo. The voting delegates were:

TONO:	Ine Kristine Hoem (Member of the Board) and Bjørn Bolstad Skjelbred (Member of the Board)
Kopinor:	Frode Paulsen (Director of Economy) and Trond Andreassen (Member of the Board)
Norwaco:	Eirik Djønné (Member of the Board) and Sverre Pedersen (Member of the Board)
Gramo:	Knut Aafloy (Deputy Member of the Board) and Tove Bøygard (Deputy Member of the Board)

## 4.2 The Board 2015

The Board of NORCODE, elected at the Annual Meeting 2015:

Bendik Hofseth (Chair)

Hans-Petter Fuglerud, Kopinor (Vice-Chair) – Dep: Yngve Slettholm

Martin Grøndahl, Gramo – Dep: Tor Bernhardsen

Svein Korshamn, TONO – Dep: Cato Strøm

Elin Urkedal, Norwaco – Dep: Cathrine Nagell

## 4.3 The Election Committee

The Election Committee for 2015/2016 remains unchanged:

Hilde Sjeggstad, Legal Advisor, Norwegian Visual Artists Association

Sverre Pedersen, Union Leader, the Norwegian Film Union

Åse Hedstrøm, Board Member, TONO

Dep: Marte Thorsby, Managing Director, IFPI-Norway

## 4.4 The Board's activities

The Board has held nine Board Meetings in 2015, including a strategy seminar in connection to one of the meetings.

## 5. Accounting and Auditing

NORCODE's account is Tinto Regnskap AS.

NORCODE's auditor is Chartered Auditor Kåre Uppstrøm, Baker Tilly Grimrud & Co., Oslo

## 6. Management

NORCODE has its offices in the premises of Gramo in Karl Johans gate 21, Oslo. This arrangement will continue as NORCODE and Gramo move to new offices together in late 2016.

### 6.1 Staff

In 2015, NORCODE's managerial leadership has consisted of Frode Løvik (until May 1st), Mads Liland (from May 1st to December 1st) and Inger Dirdal as a special advisor working part-time. Inger Dirdal took over as full-time Managing Director from December 1st. NORCODE uses a small team of advisors as special resources for feasibility studies, learning activities and project management. These advisors visit the projects 2-3 times per year. NORCODE uses the following external advisors: Thato Mokobi, Bjørn Juell-Sundbye, Tarja Koskinen-Olsson, Sæmund Fiskvik, Jari Muikku and Tony Okoroji.



## 6.2 Management activities

The management is responsible for the full range of NORCODEs 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 NORCODE's Board.

## 6.3 Gender equality

NORCODE upholds gender equality demands and follows up on any gender equality issues or questions its international partners may have.

## 6.4 Environment, health and safety

NORCODE upholds health & safety and environmental regulations. There are no registered personal injuries in connection with NORCODE's works in 2015.

NORCODE has a minor impact on the external environment, and are not regulated by any environmental licenses and regulations.

## 7. Conclusion

NORCODE is a healthy and vital organization provided with the necessary recourses to continue its operations.

On behalf of the Board of NORCODE, Oslo 31.12.2015/22.04.2016

Bendik Hofseth, Chair

Hans Petter Fuglerud, Vice-Chair

Martin Grøndahl

Svein Korshamn

Elin Urkedal