

NORCODE  
Annual Report 2016

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## 1. 2016 – Summary

### Highlights and milestones in 2016

- Satisfactory progress in the licensing and distribution of remuneration in connection with several NORCODE projects; especially positive results seen in Rwanda and Nepal
- New projects in Vietnam and the Philippines for CMOs (Collective Management Organizations) in the field of music
- Completion of feasibility studies in Zambia in the field of reprography and in India in the field of music and audio-visuals
- Courses, seminars, workshops and conferences in 2016:
  - Seminar arranged by the Ministry of Foreign Affairs/Concerts Norway to promote cooperation in the field of music in countries in the South, January
  - WIPO-NORCODE follow-up week in Windhoek (Namibia), February
  - KOPINOR-NORCODE regional meeting for reprographic CMOs in Lilongwe (Malawi), March
  - Evaluation with WIPO on future training measures in Geneva (Switzerland), June
  - Participation in a Confederation of Societies of Authors and Composers (CISAC) conference in Oslo (Norway), September
  - ARIPO-CISAC-NORCODE digital workshop in Harare (Zimbabwe), November
- Discontinuation of NORCODE's reprographic work in Tanzania
- Decision taken to initiate reprographic projects in Zambia and Tanzania

### Status of NORCODE's ongoing projects in 2016

NORCODE's ongoing projects all made satisfactory progress in 2016, especially those in Rwanda and Nepal.

In Rwanda, NORCODE supports RSAU, the local CMO, by providing operational support and training. The intention is for RSAU to become a multidisciplinary CMO, but the initial focus will be limited to the field of music. RSAU works closely with the Rwandan Development Board (RDB). RDB is committed to raising awareness of copyright throughout the country.

In Nepal, the Prime Minister announced the introduction of mandatory licensing for all users of copyrighted musical works. The three CMOs that work in the field of music, MRCSN, PSN and MPSN (composers, performers and producers), have decided to work together to organize the collection of remuneration. NORCODE supports their work by providing operational support and training.

Total project costs aggregated NOK 4 853 333, including an allocation of NOK 657 315 earmarked for future operational support. NOK 1 860 000 in project support was provided by NORAD.

### The start-up of operations in Vietnam and the Philippines

NORCODE initiated new projects in Vietnam and the Philippines in response to promising feasibility studies performed in 2015. The goal is to establish and help build CMOs for performers. NORCODE is collaborating with the Vietnam Association for Rights Protection of Music Performing Artists (APPA) in Vietnam and the Performers Rights Society of the Philippines (PRSP) in the Philippines.

### Feasibility studies completed in 2016

NORCODE carried out feasibility studies in India in the field of music (composers) and in the audio-visual field. Both showed positive results. However, the process has been put on hold until the Board and administration prove stable. NORCODE also conducted a feasibility study to consider the revitalization of the reprographic CMO REPRONIG in Nigeria. The results indicated a realistic possibility to make progress, and IFFRO, WIPO and NORCODE have agreed to commence the revitalization project as from 2017.

### **Courses, seminars, workshops and conferences**

One of NORCODE's main focal points is to continue to build up expertise in the field of copyright management.

In February 2016, NORCODE arranged a follow-up week for the course "The Exercise and Management of Copyright and Related Rights", held in June 2015. Fifteen of the 19 original participants gathered in Windhoek (Namibia) for the follow-up event. Bangladesh, Cambodia, Ethiopia, Gambia, Ghana, the Ivory Coast, Jordan, Kenya, Namibia, Nepal, the Philippines, Trinidad & Tobago, Tunisia and Zanzibar were represented at the meeting. The follow-up week was initially scheduled to be held in Tunis (Tunisia) in November, but was postponed and moved to Windhoek (Namibia) in February 2016 following a terrorist attack in Tunisia in late-June 2015.

In March, KOPINOR and NORCODE co-organized a meeting for RROs in East Africa. Held in Lilongwe (Malawi), this year's meeting focused on best practice and further competence building to determine how to face challenges such as copyright piracy. URRO's work on these issues in Uganda was presented and discussed. RROs from Botswana, Malawi, Tanzania, Uganda, Zambia and Zimbabwe participated.

In June 2016, WIPO and NORCODE evaluated the training programme "The Exercise and Management of Copyright and Related Rights" at a meeting held in Geneva. After four similarly structured courses in 2009, 2011, 2013 and 2015, there were discussions about switching to regional programmes for training. It was decided that a round table conference should be organized to discuss initiatives and experiences from the many CMOs involved. NORCODE made the arrangements and invited the relevant participants to a conference for the purpose of discussing the further development of the "Copyright and Related Rights" course in early 2017.

In September, the Media Technical Committee of the International Confederation of Societies of Authors and Composers (CISAC) held a seminar in Oslo for more than 100 participants from around the world. NORCODE was invited to present the organization and its efforts to strengthen the position of CMOs in developing countries.

NORCODE continued its work with the African Regional Intellectual Property Organization (ARIPO) to improve skills and expertise within the organization. In November, in cooperation with CISAC and NORCODE, ARIPO held a workshop on digital licensing and documentation in Harare (Zimbabwe). Representatives from ARIPO's Member States (Botswana, Ghana, Kenya, Liberia, Malawi, Mozambique, Namibia, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe) participated.

### **Project completed in Tanzania**

In Tanzania, NORCODE works with KOPITAN in the field of reprography. The project was due to terminate after six months, but it was extended until the end of 2016. The legal process has taken longer than expected and, as at year-end 2016, the Attorney General had still not made a statement on whether KOPITAN would be eligible to claim remuneration on behalf of its members.

### **Organizational changes at NORCODE**

At the annual meeting in May 2016, Bendik Hofseth was re-elected Chair of the Board. It was decided that elections would not be held for an external Vice-Chair in 2016, so KOPINOR's representative Hans-Petter Fuglerud was re-elected to serve in that capacity. The Board members from the four owner organizations were re-elected. In 2016, NORCODE's administration consisted of Managing Director Inger Dirdal.

In June, the owner organization KOPINOR decided to withdraw from NORCODE. NORWACO chose to do the same in November, both with effect as from 1 January 2018. GRAMO and TONO will stay on as the only owner organizations going forward. KOPINOR and NORWACO have indicated interest in continuing to work with NORCODE on a project-by-project basis.

**Shifts in future focus**

In 2014, NORCODE decided that feasibility studies should be conducted routinely prior to the start-up of new projects. This method was used in 2016 and will continue to apply in 2017. It was also decided to divide funding into operational support and funding for training and guidance to ensure the success of supported projects.

The long-term funding of NORCODE will have higher priority in 2017. The funding provided by NORAD will come to an end in 2017, so as a result, NORCODE has increased its efforts to identify potential sources of funding and is applying to international funds and support schemes.

In December 2016, the Norwegian Ministry of Foreign Affairs granted NORCODE a total of NOK 4 641 000 over a period of 3 years to support further development and to expand the capacity of its training programmes.

The member organization's support agreement will run until the end of 2017.

**2. Key Figures**

PROFIT AND LOSS ACCOUNT	2016	2015
Contributions and support	6 759 500	7 434 500
<u>Financial income</u>	<u>20 140</u>	<u>57 050</u>
Total income	6 779 640	7 491 550
Project support	1 880 079	2 010 000
Other training and project costs	2 315 939	3 475 653
Use of earlier provisions	0	(164 894)
Provisions for future evaluations	657 315	0
<u>Operating costs</u>	<u>1 926 307</u>	<u>2 170 791</u>
Total costs	6 779 640	7 491 550

**3. Project Support**

NORCODE has had firm goals since it was founded in 2007:

- To promote legislation that protects creators' works and intellectual property,
- To create organizations and unions for performers, authors, etc., and
- To provide assistance in the form of expertise and funding for the establishment of RROs and CMOs that can secure income for rightsholders for the use of their works.

NORCODE's project activities are based on financial contributions from NORCODE's member organizations. In 2016, the agreed financial support was as follows:

GRAMO	500 000
KOPINOR	1 710 000
NORWACO	814 500
TONO	1 710 000

NORAD granted the organization an additional NOK 2 000 000 in 2016.

### 3.1 Projects with local CMOs

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

KOPITAN is a reprographic CMO that operates as an agent for the Copyright Society of Tanzania (COSOTA). In 2014, regulations were passed relating to remuneration rates for the use of copyrighted works in educational institutions. As a result, KOPITAN began invoicing universities. *The Vice Chancellors' Forum* protested this and asked the Attorney General to allow a limited 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 has been handled. This has taken significantly longer than expected, causing the universities to refuse KOPITAN's attempts to collect remuneration until the situation is resolved. KOPITAN has collected small amounts from copy shops, but not enough to make them self-sufficient. A proposal to make COSOTA a Copyright Registrar Office is currently pending approval by the Parliament of Tanzania. This would make it possible for creators to establish CMOs and for KOPITAN to operate independently of COSOTA. NORCODE provided support for KOPITAN throughout 2016, but will not be continuing this support in 2017.

NORCODE has worked with KOPITAN since 2009.

#### RSAU - Rwanda Society of Authors

RSAU is a CMO that covers all fields of rights in Rwanda. The organization initially chose to focus on the field of music. The Government of Rwanda is very positive to the establishment of RSAU. RDB has granted funds for use during the establishment phase and has promised further support to the CMO. In early 2016, RSAU received approval for the tariffs it has recommended in all fields of copyright. According to NORCODE's agent, the recommended tariffs are generally satisfactory. NORCODE has arranged several local seminars in response to the substantial need for training in Rwanda. Two members of RSAU's administration attended the ARIPO-NORCODE-CISAC workshop on digital licensing and documentation in Harare (Zimbabwe) in November. NORCODE's administration followed up with a visit in autumn 2016. NORCODE will continue its support in 2017.

NORCODE has worked with RSAU since 2015.

#### AVRS – Audio visual Rights Society of Nigeria

AVRS was approved as a CMO in 2014. In 2016, the work to further develop the organization and to facilitate licensing systems continued. Nigeria has imposed a statutory fee on the use of recorded media. It has been decided that the three CMOs will each receive 20 per cent of the remuneration collected for further distribution. In autumn 2016, a NORCODE agent held a week-long course for the Board and administration of AVRS. This course focused on CMO operations and governance. AVRS was encouraged to continue pushing for the implementation of fees not only for music and reprography, but for all recorded media. NORCODE will continue to provide support in 2017.

NORCODE has worked with AVRS since 2013

#### MRCNS – Music Royalty Collection Society of Nepal

MRCNS is a CMO for composers in Nepal that has slowly but steadily improved its ability to collect remuneration. Its development came to a halt for about six months after a major earthquake struck in April 2015. The organization became operative once again in late 2015. In October 2016, the Prime Minister introduced a mandatory licensing system in Nepal for all users of copyright protected music. MRCNS, PSN and MPSN (composers, performers and producers) agreed to share the responsibility for collecting remuneration. This agreement is their main priority in 2017. NORCODE contributes to this by providing training and operational support. At the end of 2016,

NORCODE received word that the Managing Director of MRCSN had resigned her position. A new Managing Director filled the position in March 2017. NORCODE's administration made a follow-up visit to Nepal in autumn 2016. NORCODE will continue its support in 2017, but at a reduced level.

NORCODE has worked with MRCSN since 2010.

#### PSN – Performers Society of Nepal

PSN is a CMO for musical performers in Nepal. MRCSN, PSN ND MPSN (music producers) have come together to form a joint licensing arrangement in Nepal. NORCODE is striving to facilitate a closer relationship between PSN and the producers to better collect, distribute and manage assets across the different CMOs. Following the introduction of mandatory licensing, the three CMOs now share responsibility for collecting remuneration. PSN has not yet chosen to cooperate with the producers on managerial and distributional tasks. NORCODE will continue its support in 2017.

NORCODE has worked with PSN since 2013.

#### APPA - Vietnam Association for Rights Protection of Music Performing Artists

APPA is a CMO for performers in Vietnam. In February, APPA held a founding congress, as is standard procedure in Vietnam. APPA received formal approval as a CMO in spring 2016 and began official operations shortly thereafter. Its main focus has been to set up a stable administration. The Vietnam Copyright Registrar has pushed for a joint licensing system for composers (VCPMC), producers (RIAV) and performers (APPA). NORCODE will continue its support in 2017.

NORCODE has worked with APPA since 2016.

#### PRSP – Performers Rights Society of The Philippines

PRSP is a CMO for performers in the Philippines. The organization has been operational for several years, but has not made much progress as it lacks a strong administration. However, some positive progress has been made, e.g. cooperation agreements between PRSP and producers from Sounds Right to establish a shared licensing system. Sounds Right will handle the collection of remuneration while the two CMOs in the region will distribute the royalties. Unfortunately, Sounds Right has had issues with its ability to collect remuneration, resulting in low royalty payments being distributed in 2016. PRSP got off to a good start with the registration of released musical works. NORCODE will continue its support in 2017.

NORCODE has worked with PRSP since 2016.

#### COSOZA – Copyright Society of Zanzibar

COSOZA is a governmental multidisciplinary CMO in Zanzibar. Although Zanzibar is a state in the Republic of Tanzania, it operates under its own state-wide copyright legislation. Since 2016, NORCODE has provided support for COSOZA not by funding operations, but by providing training and advice. In 2016, COSOZA submitted a bill for a new Copyright Act that is expected to be approved in 2017. COSOZA got input from both NORCODE and WIPO throughout the process, incorporating several constructive changes that will help make COSOZA more productive in future. There has, however, been a hold up in the collection of remuneration. NORCODE will continue to help with training in 2017.

NORCODE has worked with COSOZA since 2016

### 3.2 International partners

NORCODE has had meetings with its international partners throughout the year, including 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), the International Federation of the Phonographic Industry (IFPI), the African Regional Intellectual Property Organization (ARIPO) and the World Intellectual Property Organization (WIPO).

## 4. Organization

### 4.1 Annual Meeting 2016

The 2016 Annual Meeting took place in NORWACO's premises in Oslo on 26 May 2016. The voting delegates were:

TONO:	Ine Kristine Hoem (Board Member) and Philip Kruse (Board Member)
KOPINOR:	Arne Magnus (Board Member) and Pål Giørtz (Board Member)
NORWACO:	Jan Terje Helmlí (Chair of the Board) and Ingelin Skaret (Senior Legal Advisor)
GRAMO:	Tonje Kaada (Board Member) and Tove Bøygard (Deputy Board Member)

### 4.2 The Board in 2016

The Board of NORCODE, as elected at the 2016 Annual Meeting:

Bendik Hofseth (Chair)	
Hans-Petter Fuglerud, KOPINOR (Vice-Chair)	– Deputy: Yngve Slettholm
Martin Grøndahl, GRAMO	– Deputy: Tor Bernhardsen
Svein Korshamn, TONO	– Deputy: Cato Strøm
Elin Urkedal, NORWACO	– Deputy: Cathrine Nagell

### 4.3 The Election Committee

The Election Committee for 2016/2017 remains unchanged:

Hilde Sjøggestad, Legal Advisor, Norwegian Visual Artists Association
Sverre Pedersen, Union Leader, the Norwegian Film Union
Åse Hedstrøm, Board Member, TONO
Deputy: Marte Thorsby, Managing Director, IFPI-Norway

### 4.4 The Board's activities

Five Board meetings were held in 2016.

## 5. Accounting and Auditing

NORCODE's accountants are Tinto Regnskap AS. NORCODE's auditor is Chartered Auditor Kåre Uppstrøm, Baker Tilly Grimsrud & Co., Oslo

## 6. Administration

NORCODE shares office space with GRAMO. In October 2016, NORCODE and GRAMO moved their offices to Rosenkrantz gate 21 in Oslo.

### 6.1 Staff

NORCODE's administration consisted of Managing Director Inger Dirdal in 2016. NORCODE uses a small team of consultants as special advisors for feasibility studies, learning activities and project management. These advisors visit the projects two or three times a year. NORCODE engages the following external advisors: Thato Mokobi, Bjørn Juell-Sundbye, Tarja Koskinen-Olsson, Saemund Fiskvik, Nic Garnett, Peter Ford, and Jim Alexander.

### 6.2 Administrative activities

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

### 6.3 Gender equality

NORCODE complies with gender equality requirements and follows up on any gender equality issues or questions its international partners may have.

### 6.4 Health, safety and the environment

NORCODE complies with all health, safety and environmental regulations. No personal injuries or sick leave were registered in connection with NORCODE's activities in 2016. NORCODE has a negligible impact on the outdoor environment, and is not subject to any environmental licenses or regulations.

## 7. Conclusion

NORCODE has the resources required to be a going concern.

The Board of NORCODE, Oslo 31 December 2016/20 April 2017

Bendik Hofseth  
Chair

Hans-Petter Fuglerud  
Vice-Chair

Martin Grøndahl  
Board Member

Svein Korshamn  
Board Member

Elin Urkedal  
Board Member