

NORCODE

ANNUAL REPORT 2017

“NORCODE’s main objective is to contribute in building the cultural infrastructure in developing countries and strengthen the situation of rights holders. A strengthened cultural field is an important contribution in building national identity and promoting human rights. Collective management organisations will be a positive contributor to the economic growth of their countries, through their collections from users of intellectual property.”

1. 2017 – Summary

In addition to providing support and collaborating with collective management organisations in Africa and Asia, and other activities, NORCODE conducted thorough consultation, research and planning of a new training programme. The programme will accommodate all fields of rights and has been granted 3-years financial support from the Norwegian Ministry of Foreign Affairs. The first module was conducted in Dar es Salaam, Tanzania. In the period 2017-2020, the program will offer accommodated training and capacity building within copyright management for approximately 100 leaders/responsible senior executives from CMOs in developing countries.

The restructuring of ownership implies that, in the future, NORCODE will primarily grant financial support to CMOs in the field of music, in accordance with our basic funding.

Status of NORCODE's ongoing projects in 2017

- Satisfactory progress for licensing and distribution of remuneration for NORCODE's project in Nepal.
- NORCODE's project in Rwanda has satisfactory progress and the organisation has started licensing.
- Continuation of engagement in Vietnam, where the membership is growing.
- Projects in Zambia, Nigeria, Tanzania in the reprography field was accomplished according to plan.
- CMO-in-a-BOX: NORCODE evaluate digital tools suitable for new CMOs.
- Accomplished courses, workshops and conferences in 2017:
 - Round Table Conference, University of Agder.
 - Regional training programme for Africa in Dar es Salaam.
 - Participation in Aripo Wipo Symposium in Harare.
 - Participation in regional CISAC meeting for Africa in Kigali.
 - Participation in WIPO SCCR, Standing Committee of Copyright and Related Rights, May and November.

Nepal introduced mandatory licensing and NORCODE made agreements with all three CMOs in the field of music. The work continues to establish an extensive arrangement for the collection of remuneration on behalf of all user groups.

In Rwanda, NORCODE provide RSAU, the local CMO, with financial support for both operational and training resources. In 2017, RSAU accomplished an information campaign on copyrights in Rwanda, with the assistance from NORCODE's local supervisor and the local authorities represented by the Rwandan Development Board.

In 2017, total project costs aggregated NOK 4 970 913. The year's allocation earmarked for future operational support was NOK 1 941 341. The year's project costs were NOK 1 860 000 and financed by project funds from NORAD and NOK 1 307 000 from The Norwegian Ministry of Foreign Affairs.

Start-up operations – new projects

NORCODE commenced collaboration with Music Producer Society of Nepal, MSPN. Collaboration with Nepal's CMOs for composers and performers was already established. The objective is to ensure that all the involved CMOs in the field of music collaborate on the introduction of the country's new mandatory licensing arrangement. MSPN needed a permanent administration, which they didn't previously have.

In 2017, NORCODE had a 1-year project with ZARSSO in Zambia and the organisation have now started licensing.

The Norwegian Ministry of Foreign Affairs supported funds for a 3-year copyright management training programme for the period 2017-2019. NORCODE have started the programme and completed the first training module for training and capacity building in November.

New feasibility studies completed in 2017

Digital CMO-in-a-box

NORCODE conducted feasibility studies to identify the needs and available software for flexible digital tools suitable for CMOs, based on international norms. The objective is that the new software will make the establishment of local CMOs more efficient, in addition to providing the organisations with a good database for further development right from the beginning.

Courses, workshops and conferences

One of NORCODE's central activities is competence building for copyright and related rights.

Round Table Conference in Agder, Norway

The Round Table Conference at The University of Agder was held 28-29 March 2017. The objective was to plan an optimum training scheme for copyright and related rights for CMOs in developing countries (music, reprography, audio visual and visual). Representatives from various organisations and experts in the training and copyright fields were gathered for two days. A concept draft with clarification of goal, training scheme, needs etc. was created, and later resulted in the new training programme "Collective Management of Copyright and Related Rights".

The background for the conference was that NORCODE received 3-year funding from the Norwegian Ministry of Foreign Affairs in December 2016 granted for a copyright training programme for the period 2017-2019.

NORCODE's new copyright management training programme in Dar es Salaam.

In November 2017, NORCODE arranged a regional 10-day course; "Collective Management of Copyright and Related Rights" in Dar es Salaam, Tanzania (20-30.11). The course was the first module of the new 1-year training programme about copyright management for leaders and senior executives representing CMOs. The course was arranged in collaboration with ARIPO, African Regional Intellectual Property Organisation and WIPO Academy, World Intellectual Property Organisation.

The organisations IFRRO, The International Federation of Reproduction Rights Organisations, CISAC, International Confederation of Societies of Authors and Composers, IFPI, International Federation of the Phonographic Industry, and SCAPR, The Societies' Council for the Collective Management of Performers' Rights were collaboration partners.

The goal of the training programme is to provide a broad professional understanding of:

- The role and functions of collective management in different creative industries;
- Importance of solid governance structures and sustainability in collective management operations
- Importance of sound licencing and distribution systems;
- Opportunities and challenges of digital exploitation on rights management

As a separate individual study project, the participants will also establish and discuss a current copyright related issue from their own country.

In total 20 participants from collective management organisations and copyright legislation offices in Africa attended the course in Dar es Salaam. Thirteen countries were represented: Ghana, Kenya, Liberia, Malawi, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Zambia, Zanzibar and Zimbabwe.

The participants were well prepared and had completed an advanced e-Learning course with basic copyright theory beforehand, based on self-study (September - November). This was provided by the WIPO Academy, with a dedicated tutor. The students committed to sending a report about their own study project 6 months after the course. Professional support will be given during the training period and it will be provided for collaboration work and experience sharing. A closed intranet will be established as part of NORCODE's website, where final reports and other materials will be downloaded and shared for mutual information.

In addition to Africa, courses will be held for collective management organisations in Asia and Central America / The Caribbean. The plan is that approx. 100 leaders/responsible senior executives will complete the training programme during the 3-year period for which an agreement has been made.

The programme is financially supported by the Norwegian Ministry of Foreign Affairs, and professionally by the University of Agder. It consists of 5 course modules that will be held during the period 2017-2019.

NORCODE participated at CISAC's annual regional meeting for Africa. The meeting was held in Kigali, Rwanda in July. Rwanda Society of Authors, RSAU, supported by NORCODE in 2017, was co-organizer. Representatives from 36 collective management organisations participated. A strategy plan to strengthen copyrights for Africa's creative industries was made. NORCODE presented the new copyright management training programme for the participants.

NORCODE participated in a 3-days symposium in Harare, Zimbabwe, arranged by ARIPO and WIPO in June. The topic was "Shaping the Copyright and Related Rights Systems in Africa". A strategy was developed to strengthen copyrights in Africa.

Organisational changes at NORCODE

At the annual meeting in May 2017, Bendik Hofseth was re-elected Chair of the Board. It was decided that elections would not be held for an external Vice-Chair in 2017, so KOPINOR's representative Hans-Petter Fuglerud was re-elected to serve in that capacity. The Board members from the four owner organisations were re-elected. In 2017, NORCODE's administration consisted of Managing Director Inger Dirdal.

2017 was the last year with KOPINOR and NORWACO as members and financial contributors.

From 2018, NORCODE will have two owner organisations; TONO and GRAMO. Both represent the field of music, which stands for the majority of collected remuneration for copyrights on a worldwide scale.

Shifts in future focus

From 1st January 2018, funds will only be granted to organisations in the field of music.

NORCODE will still focus on capacity building and training within all fields of rights, which also include reprography, audio visual and visual.

NORCODE have had meetings with collective management organisations in other European countries, where we discussed opportunities for funding collaboration projects in developing countries. Norway is still a country leading the way regarding repayment of remuneration to copyright holders / countries that have not established their own systems for licencing and collection.

NORCODE's feasibility studies proved to be of great value, and the methodology will be used for all future projects. It means that support will not be granted to projects before the feasibility study is completed and demonstrates that the project has the right qualifications to succeed.

NORCODE continues work to look for new funding opportunities and will apply for renewed funds from NORAD (The Norwegian Agency for Development Cooperation). Initiative will be taken to meet Norway's new Minister of International Development.

2. Key figures

PROFIT AND LOSS ACCOUNT	2017	2016
Contribution and support	8 617 000	6 759 500
<u>Financial income</u>	<u>30 833</u>	<u>20 140</u>
Total income	8 647 833	6 779 640
Funding of foreign organisations	2 520 000	1 880 079
Project costs	2 450 913	2 315 939
Allocated for future support	1 941 341	657 315
<u>Operating costs</u>	<u>1 735 579</u>	<u>1 926 307</u>
Total costs	8 647 833	6 779 640.

3. Project support

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

- To promote legislation that protects creator's work and intellectual property.
- To create organisations and unions for performers, authors, etc., and
- To provide assistance in the form of expertise and funding for the establishment of CMOs (Collective Management Organisations) that can secure income for rights holders for the use of the works they have created.

NORCODE's project activities are based on financial contributions from NORCODE's member organisations. In 2017, the agreed financial support was as follows (NOK):

Gramo	500 000
Kopinor	1 825 000
Norwaco	1 160 500
TONO	1 825 000

NORAD granted an additional NOK 2 000 000 and The Ministry of Foreign Affairs granted 1 307 000 in 2017.

3.1 Projects with local CMOs

RSAU – Rwanda Society of Authors

RSAU is a CMO that covers all fields of rights in Rwanda. In the start-up phase, the organisation receives funds from the national authority body for Copyrights, Rwanda Development Board, RDB.

RSAU executed a comprehensive information campaign about copyrights and arranged meetings with media and different user groups, in collaboration with RDB and NORCODE. The challenge is to increase knowledge about copyrights, in addition to raising awareness and acceptance for payment of remuneration. The process with professionalising, licensing and collection of remuneration started in 2017, and increased licensing revenue is expected in 2018. CISAC, The International Confederation of Societies of Authors and Composers, also contributed with consultation for the development of RSAU in 2017.

RSAU's Officer for Documentation and Distribution participated at NORCODE's regional training programme in Dar es Salaam, November 2017.

NORCODE have collaborated with RSAU since 2015. The funding continues in 2018, but with a lower amount due to the expected licensing revenue.

MRCNS - Music Royalty Collection Society Nepal, PSN – Performance Society of Nepal, MPSN – Music Producer Society of Nepal

The organisations MRCNS and PSN have started distribution of remuneration. The mandatory licensing system is currently being implemented in Nepal, and initiative is taken to establish a joint licensing arrangement for MRCNS (composers), PSN (performers) and MPSN (producers). NORCODE's local supervisor has been a vital driving force for the collaboration work, focusing on collection, distribution and administration. Increased collaboration between the three music CMO's is a condition for NORCODE's ongoing support. 2017 was the first year NORCODE supported MPSN (producers) and we now collaborate with all three collective management organisations in the field of music.

In addition to operational support, MRCNS, PSN and MPSN received joint training, support, consultation and leadership coaching from NORCODE's supervisor. The planned update of the country's copyright legislation, that will strengthen the mandate for CMOs, was delayed due to the election and other political conditions in 2017, but is now approved. The Department for Information and Communication are collaborative and now referring radio and TV stations to MRCNS for music licensing.

NORCODE's Regional Training Programme on Collective Management of Copyright and Related Rights for countries in Asia will be held in Kathmandu in 2018. Four local representatives will participate in the training. We hope this will contribute to strengthening the copyrights in Nepal.

NORCODE have collaborated with MRCNS since 2010, PSN since 2013 and MPSN since 2017. The support continues in 2018.

PRSP – Performers' Rights Society of the Philippines

PRSP is a CMO for performers in the Philippines. PRSP has existed for 10 years, but the progress has been slow. PRSP now have a functional organisation, but not many members. In 2017, a new leader was engaged and will gradually take over the responsibility from the former leader, who has highly influenced PRSP since the start in 1998, but wishes to retire. The main challenges for the organisation relates to joint collection, authorization to be the only CMO for performers, and expanding membership. NORCODE's dedicated supervisor has been an important driving force in the development of the organisation.

An agreement regarding a joint licensing arrangement with the producer organisation Sounds Right for the period 2016-2018 has proved to be inefficient. The deal was that SR should collect remunerations on behalf of PRSP's members, but this was only executed to a small degree. For the time being, PRSP only have IPO's approval (Intellectual Property Office) to collect remunerations on behalf of its own members. PRSP is in dialogue with IPO to change their regulations so PRSP can be the country's only SMO for performers and also able to represent non-members. This might take 2-3 years and will cause loss of income for PRSP in the meantime, in addition to making it

harder to recruit new members. In 2017, PRSP engaged a new officer who will be responsible for members and communication with performers.

NORCODE have collaborated with PRSP since 2016. The support continues in 2018.

APPA - Vietnam Association for Rights Protection of Music Performing Artists

APPA is a CMO for music performers in Vietnam. The organisation has achieved good progress and is steadily increasing their membership. There is a need for clarification about the demarcation between music performers and producers, since the country's copyright legislation can be interpreted to suggest that only investors/producers have the right to claim compensation for the use of recorded music. There is ongoing, aimed work to obtain an interpretation and clarification of the legislation.

In 2017, APPA prioritised to grow their membership. It is estimated to take three years (2017-2019) to obtain the sufficient number of members. In addition, APPA want to prioritise to arrange conferences, workshops, develop their own website, support licensing initiatives and create a Vietnamese Music Award. APPA has made a collaboration agreement with a company offering music monitoring on radio and TV.

NORCODE have collaborated with APPA since 2016. The support continues in 2018.

3.2 Terminated projects

Termination ZARRSO – Zambia Reprographic Rights Society

ZARRSO is a reprography CMO under the direct supervision of PACRA, Patents and Companies Registration Agency, Zambia. ZARSSO have achieved positive progress since their new leader came into office and a new Board was established in 2015, and there is a good prospect for the organisation to be self-funding. ZARSSO started licensing in 2017. NORCODE's operational support, in addition to the consulting and training of the Board, administration and members by NORCODE's local supervisors, have been of vital importance for ZARRSO to achieve its goals. The programme focused on licensing.

ZARRSO's leader participated at NORCODE's regional training programme in Dar es Salaam, November 2017.

NORCODE collaborated with ZARRSO in 2011 and 2012, but the support was withdrawn in 2013 due to the former leaderships' priorities and slow progress. NORCODE supported ZARSSO again in 2017, and the support terminated by the end of 2017.

Termination AVRS - Audiovisual Rights Society of Nigeria

NORCODE have supported the CMO, AVRS, Audiovisual Rights Society of Nigeria, with capacity building, operations, good leadership and preparations for licensing. Nigeria awaits the final approval for the arrangement of a national statutory fee on the use of recorded media. AVRS will receive 20 per cent of the new remuneration collected for further distribution. The Nigerian authorities are positive and expect film to represent a major part of the country's culture production in the years to come. Nigeria's film production, "Nollywood", is currently the second biggest in the world. In the beginning of 2017, changes were made to the Board and leadership of AVRS.

The organisation's new leader participated at NORCODE's regional training programme in Dar es Salaam, November 2017.

NORCODE have supported AVRS since 2013. In 2017, the organisation received financial support from a public Nigerian fund. There was no longer need for our operational support, and the project terminated.

Termination REPRONIG - Reproduction Rights Society in Nigeria

NORCODE collaborated with REPRONIG, Reproduction Rights Society in Nigeria in 2017 in the field of reprography. From the beginning, it was decided that the engagement should be short term and only in collaboration with IFRRO, the International Federation of Reproduction Rights Organisations, and WIPO, The World Intellectual Property Organisation.

NORCODE contributed with operational support for the revitalisation of REPRONIG, and in 2017 the organisation reestablished the approval from the Nigerian Copyright Commission (NCC).

REPRONIG will receive 20 percent of the remuneration when the new national statutory fee on the use of recorded media is introduced.

In August, REPRONIG arranged an important technical meeting about licensing directed at universities and tertiary institutions; “Meeting of National Working Group on Copyright Licensing in Tertiary Institutions”. It was arranged in collaboration with educational institutions and organisations representing authors, publishers and librarians, in addition to NORCODE, IFRRO, WIPO, NCC and the Committee of Vice Chancellors of Nigerian Universities (AVCNU). After the meeting, the work group created a framework for the introduction and administration of copyright agreements with universities and tertiary institutions.

Termination KOPITAN The Reproduction Rights of Society of Tanzania

KOPITAN, The Reproduction Rights of Society of Tanzania, is a reprographic CMO that operates as an agent for Copyright Society of Tanzania, COSOTA. In May 2017, KOPITAN finally received ruling from the Attorney General, confirming that a disputed regulation from 2014 will give copyright holders the right to claim remuneration from the country’s universities. KOPITAN have started the process to collect remuneration from the universities. They have previously collected smaller amounts from copy shops, but the volume was far from sufficient to make KOPITAN self-funding. The organisation believe it is achievable to be self-funding in 2018.

There is still work in progress to convert COSOTA to be a Copyright Registrar office, and the feedback is positive.

3.3 International collaboration partners

NORCODE worked closely with international collaboration partners in 2017. Among these 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 Organisation (WIPO).

4. Organisation

4.1 Annual meeting 2017

The annual meeting took place in Norwaco’s premises in Oslo on 24th May. The voting delegates were:

TONO: Willy Martinsen (Director of Communications) and Geir Gaarder (Director of Negotiations)

Kopinor:	Mette Møller (Board Member) and Trond Andreassen (Power of representation to Mette Møller)
Norwaco:	Jan Terje Helmlı (Chair) and Jon Knudtzon (Head of Communication)
	Gramo: Bastian Daae (Communications Adviser)

4.2 The Board in 2017

The board of NORCODE, as elected at the 2017 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 2017/2018 was elected, and the members are:

Hilde Sjeggstad, Legal Advisor, Norwegian Visual Artist Association

Sverre Pedersen, Union Leader, Norwegian Film Union

Ingrid Kindem, Chair of TONO

Deputy: Marte Thorsby, Managing Director, IFPI-Norway

4.4 The Board's activities

Five board meetings were held in 2017.

5. Accounting and auditing

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

6. Administration

NORCODE shares office space with GRAMO in Rosenkrantz gate 21 in Oslo, Norway.

6.1 Staff

NORCODE's administration consisted of Managing Director Inger Dirdal in 2017. 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. In 2017, NORCODE engaged the following external advisors: Thato Mokobi, Bjørn Juell-Sundbye, Tarja Koskinen-Olsson, Saemund Fiskvik, Nic Garnett, Andreas Lund Molde, Olav Stokkmo, Dora S. Makwinja, Rosario Kamanga, Marisella Ouma, Chinedu Chukwuji, Robert Hooijer and Angela Nbambuki.

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, society 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 2017. 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 2017/23 April 2018

Bendik Hofseth
Chair

Hans Petter Fuglerud
Vice-Chair

Martin Grøndahl
Board Member

Svein Korshamn
Board Member

Elin Urkedal
Board Member