

# FUNDING CRITERIA AND PROCEDURES

All applications must be consistent with NORCODE's objective, which is to carry out international development work in the copyright field.

## 1. WHY

Basic Funding Criteria

All requests for funding from Norcode must aim at one or more of the following:

- awareness-raising in regard of copyright law
- amendment of copyright legislation
- establishment of associations of rights holders (creators, performers, publishers or producers)
- establishment and development of collective management societies (CMS)
- other organizational or technical projects which will strengthen the position of rights holders.

Projects must be self-sustainable in the long term, and funds must be used in accordance with the highest ethical standards.

## 2. WHAT

Norcode may fund activities, projects and also provide interest-free loans.

### a. Activity grant

An activity grant may be given for a single event which takes place within a short period of time, e.g. a workshop, a seminar or a study trip.

### b. Project grant

A project grant may be given to a project of longer duration, e.g. to cover operational costs of an association or a CMS for one or more years.

### c. Interest free loans

Norcode may provide interest-free loans. Applications for loans may be received for the support of a new CMS, when it is evident that the CMS will generate income within a reasonable period of time.

## 3. WHO

Norcode welcomes applications for funding from:

- a) rights holder associations (creators, performers, publishers and producers),
- b) international associations of rights holders (e.g. CISAC, IFRRO, SCAPR),
- c) collective management societies or
- d) government offices working in the copyright field.

Organizations referred to under a and c may be located in Norway or abroad.

## 4. HOW Application guidelines

### 4.1 General information

For your application to be considered, please follow the Application guideline.

The application, addressed to Norcode, dated and signed, should describe the activity/project for which funding is sought, the amount sought from Norcode, contain background information, such as recent activities in the copyright field (workshops, seminars, WIPO activities and amendments of copyright law), existence of rights holder associations and government support.

The applicant must describe how the project will support collective management of rights and inform about support given by other partners inside or outside the applicant's country, if any, and secure publicity to be given to NORCODE. A detailed budget, including expenses and other income, must be attached. (Please note: In case of travel, NORCODE will only contribute to the cost of economy class airfare.)

NORCODE has the discretion to refuse a grant or loan if the application does not correspond to the priorities and rules of the association, or if funds are not readily available. The decisions of the Board are definitive. The following costs may NOT be applied for (this list is not exhaustive):

- Costs outside the activity or project programme period
- Litigation and arbitration costs
- Bad debts
- Staff redundancy or business termination costs

NORCODE may pay 80 % of grants before commencement of an activity or a project and 20 % of the funds after the completion of the activity or project and after submission of a documented and audited reconciliation. NORCODE may also consider advancing funds in full. Any unspent amounts will be retained by NORCODE.

There is no application deadline. Norcode receives applications on a continual basis.

## **4.2. Origin and Background**

Applications should describe:

- the circumstances that lead to the application,
- earlier grants, if any,
- recent copyright related initiatives in the country,
- relevant information on copyright legislation (including exceptions and rules on collective management),
- support of local rights holders' associations,
- the amount,
- purpose and
- dates of activity or project period.

## **4.3. Cooperating partner**

NORCODE encourages the development of partnerships with corresponding rights holder associations or CMS's in Norway.

While the responsibility for the correct implementation of the activity or project and the proper use of money granted remains with the beneficiary, the partner may support and guide the beneficiary throughout the activity and the whole duration of the project.

The partner may assist the beneficiary in building quality and follow the timeframe of the activity or project and to submit reports and accounts to NORCODE as the donor organization.

The applicant must describe the role and support to be provided by their partner.

If the application is forwarded to NORCODE through a Norwegian partner, NORCODE will accept a budget allocation providing for non-salary costs of the partner in providing support. It is expected that such costs will usually be travel expenses of the partner's staff to speak at a workshop, assist in activities such as recruitment of members, licence negotiations or implementation of surveys or distributions. The Norwegian partner may submit its own application directly to NORCODE for these purposes.

Details of any training by the partner must also be provided. It is expected that training will be appropriate both for the trainee, the recipient association or CMS and the legislative system in which the recipient operates.

Separate applications can be made for grants for training for the staff of a new CMS, or government or judicial staff engaged in copyright administration, where that training can be expected to contribute to the long-term sustainability of a new CMS.

## **4.3. Approval Process and Use of Funds**

NORCODE may need six months or more to process applications for Activity Grants, Project Grants or Project Loans.

# **5. PROJECTS Constraints and Risk Assessment**

Applicants must include a statement of the legislative, economic, social or cultural constraints which may affect the success of the applicant, and an outline of any strategies to address those constraints.

For example, social and cultural constraints can include community distrust of private ownership of intangible property, or a misconception that collective copyright management primarily benefits foreign rights holders.

Legislative restraints may include the structure for collective licensing envisaged under the local copyright law. Applicants will also have referred to some of these issues as part of the analysis and compliance with NORCODE's funding criteria, described above.

# **6. WHAT TO EXPECT IF YOUR RECEIVE FUNDING FROM NORCODE**

## **6.1. General information**

When NORCODE has made a positive decision, the applicant will receive a draft Funding Agreement for consideration. Funds will be transferred after the agreement has been reached and the document has been signed.

Funding supplied by NORCODE may only be spent for the planned activities and in accordance with the budget, unless otherwise agreed in advance and in writing by the parties. Funds must be used in a manner so that corruption and misuse is avoided. If use of funds cannot be properly documented, NORCODE will take the legal action needed.

## 6.2. Completion

Upon completion of the activity or project, the applicant must submit a report together with an audited and documented reconciliation of the grant. (In the case of a project, this can be included in the Annual Report and Accounts.)

The report shall include:

- Background, legislative summary, comments on the local cultural industries, on CMS activities, if any, and other relevant information
- Description of the project and participants
- Particular issues raised in the course of the project
- Outcomes/results achieved and proposed follow-up activities, if any.

In the case of an Activity, the general rules on the auditor shall apply.

In the case of an Activity, the Annual Report and Audited Accounts of the year in which the activity took place, must be submitted no later than three months after completion of the financial year. The Activity must be reflected in both the report and the accounts.

In the case of a Project Loan the recipient at the end of the loan period, must submit a project completion report with an analysis of the factors which contributed to the success of the recipient, and those which restricted its operations. If the loan has not been repaid, the recipient must submit to NORCODE an analysis of the factors which contributed to its inability to repay, together with a revised business plan and repayment schedule. The recipient must continue to submit Annual Reports and Audited Accounts until such time as the loan is repaid.

## 6.3. Timescale

The applications for both activities and projects must include the date of the start of the contract and the date of its completion. In case of a loan the form and contract should include the estimated repayment date. Expenditure must be completed during the programme timescale.

If allocated funds are not spent within the agreed upon framework, NORCODE has the discretion to reallocate it. The distribution of funds for the purpose of loans is reviewed by NORCODE regularly.

## 6.4 Acknowledgements and Publicity

The beneficiary has the obligation to make public NORCODE's funding, by mentioning its name in all essential documents related to the project, including press releases, and by using on all such documents NORCODE's logo followed by "Project sponsored by NORCODE".

NORCODE will inform the beneficiary if the Norwegian Agency for Development Cooperation (Norad) or the Norwegian Ministry of Foreign Affairs has contributed to the activity or project. If that is the case, essential documents should contain the NORCODE logo and the following: "Project sponsored by NORCODE and the Norwegian Government".

## 7. FUNDING AGREEMENT

Norcode will ask you to sign a FUNDING AGREEMENT which should include the following following:

The local financial circumstances as well as any particular national requirement concerning:

- account number and name and address of bank,
- international bank transfers (SWIFT/IBAN for wire transfer),
- name and address of chartered or registered auditor,
- financial year

The applicant must advise if the funding agreement will have to include provision for inflation rates, special bank charges, taxes on grants, etc.

NORCODE will endeavour to provide, in each case, the best transactional arrangements, in order to reduce the impact of national financial disturbances on the capacity of loan reimbursement of the beneficiary.

The beneficiary must submit a report on the activity or project, including audited accounts, within three months after the activity has ended or three months after the end of the financial year in the case of a project.

If the recipient is a rights holder association or a CMS, the activity or project must be reflected in its annual report and the grant in its annual audited accounts, which also must be submitted to NORCODE.

## **8. PROJECTS**

### **Reporting and Monitoring**

#### **8.1. Project Progress Reports**

Project Progress Reports shall be submitted by e-mail from the person responsible for the project to NORCODE with the base-line dates 31 March, 30 June, 30 September and 31 December, and not later than 30 days after those dates, and shall beforehand be approved by the Chairperson of the beneficiary organization. The reports shall include:

- a report on goals achieved and not achieved
- an overview of income and expenditure in relation to the budget
- plans for future activities

#### **8.2. Notifications and Minutes**

The person responsible for the project shall in advance and by e-mail or fax inform NORCODE about the dates and venues of the

- meetings of the Board
- Annual General Meeting, and Special General Meetings, if any

and send by e-mail draft or approved

- minutes of the meetings of the Board
- minutes of the Annual General Meeting and Special General Meetings;

to NORCODE not later than 30 days after the meetings have been held.

#### **8.3. Annual Report and Audited Accounts**

Annual Report and Audited Accounts of the beneficiary organization, as approved by its Board, shall be submitted to and received by NORCODE no later than 3 months after the end of the following financial year (e.g. by 30 March if the FY ends on 31 December). The Report and the Accounts shall be accompanied by the Auditor's Report, and of copies of his/her Report to Management, if any. The Auditor's report shall be signed in person by the responsible auditor. The Auditor shall apply International Standards on Auditing ISA 700 (for projects) or ISA 800 (for activities).

#### **8.4. The auditor**

The Auditor, who must be chartered or registered, shall be presented with this document, the Funding Agreement, the Business Plan and its budget, original receipts and other relevant documentation. On that basis the auditor shall confirm that the support received from NORCODE has been spent in accordance with the budget and with the conditions of the Funding Agreement, or other subsequent agreements, and that required documentation has been submitted to and inspected by the auditor. The auditor shall also answer questions posed by NORCODE or its auditor in regard of reports, which he/she has submitted.

The applicant must be aware that NORCODE may make unannounced visits to the beneficiary organization for the purpose of on-the-spot evaluations of the project.

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#### **PLEASE NOTE:**

The applicant must be aware that NORCODE, when feasible, will seek partial funding from the Norwegian Government, and that NORCODE and cooperating organizations at any time may be audited by the Norwegian State Auditor, and that the rules in this document may change at any time to comply with changes in the Government Funding Rules.