

**Norges Bank Academic Programme**  
**Co-financing of Junior Professorships**  
**in Macroeconomics and Financial Economics**

## **1 NORGES BANK ACADEMIC PROGRAMME (NBAP)**

NBAP was set up by Norges Bank to promote macroeconomic and financial economic research and education in Norway. NBAP is coordinated jointly by the central bank operations and NBIM.

The Scientific Advisory Board (SAB) is an independent committee of internationally renowned professors of macroeconomics and financial economics. The Scientific Advisory Board supports NBAP by providing independent, scholarly authoritative, and impartial recommendations on academic and scientific matters.

This document describes how, and guided by which principles, NBAP will co-finance junior professorships in macroeconomics and financial economics at academic institutions in Norway (“NBAP Co-financing of Junior Professorships” or “Junior Co-financing”).

## **2 PURPOSE OF THE JUNIOR CO-FINANCING PROGRAMME**

NBAP provides long-term incentives to promote sustainable improvements in research and teaching in macroeconomics and financial economics in Norway. The programme for Co-financing of Junior Professorships provides funding to reduce the salary differences between job offers outside of Norway and the salary offered for some junior positions in macroeconomics and financial economics at academic institutions in Norway. The programme has been established to strengthen the ability of academic institutions in Norway to recruit in highly competitive, international markets for academic personnel, targeting individual new recruits with high potential for excellence in research and teaching in financial economics.

## **3 THE JUNIOR CO-FINANCING**

NBAP may provide up to a 25% top-up of wage per academic year for a full-time position, with a nominal cap of 250 000 NOK. In addition, NBAP may cover documented social costs incurred by the institution on the NBAP salary contribution.

The standard Junior Co-financing agreement is entered for a period of three years where the top-up of wage is set to 25%, with a possibility of renewal for three additional years. For the second period the top-up wage may increase to 35% depending on performance.

The co-financing agreement is primarily targeting candidates that are hired in a “Tenure Track” position by an academic institution in Norway. In very special cases, co-financing can also be awarded to researchers at a very high international level that are offered a tenured associate professorship at an academic institution in Norway in connection with recruitment from abroad. Successful candidates will be subject to a performance review after three years. If the candidate fails to demonstrate satisfactory progress in the performance review as assessed by the NBAP Scientific Advisory Board, NBAP will not renew the co-financing contract.

#### **4 ELIGIBILITY**

Candidates are expected to have high potential for excellence in research and teaching in macroeconomics and/or financial economics. Candidates must be hired in a full-time (100 percent) position at an academic institution in Norway and have a normal teaching load (given their academic position). Candidates are expected to move to Norway and will not receive their co-financing payment until they can document a Norwegian residency.

A candidate must satisfy at least one of the following criteria to be eligible for NBAP co-financing:

- a) Have at least two fly-outs to top-ranked academic institutions outside of Norway. Only documented formal recruiting fly-outs for tenure-track jobs (as opposed to post-docs) is accepted. Informal visits do not qualify as a fly-out.
- b) Have a documented job offer from a top-ranked academic institution outside of Norway.
- c) Be already employed in a position (tenure track) at a leading university outside of Norway and have normal publication progress in accordance with tenure requirements at the best academic institutions in Norway.

Top-ranked institutions are in principle defined as the top 80 finance departments appearing on the Arizona State University’s ranking based on publications in the Journal of Finance, Journal of Financial Economics and the Review of Financial Studies over the most recent five years of available data, and top 80 economics departments appearing on the IDEAS/RePEc list of Top 25% Economics departments.

Outside offers and fly-out lists must be documented with a copy of the offer letter to the candidate / copy of the fly-out invitations from academic institutions to formal recruitment interviews. In the absence of a written offer, the Head of Department or other authorized person at the host institution must have summarised all relevant terms of the outside offer. Articles that are accepted or that are revise-and-resubmit at a journal must be documented with the letter from the Editor.

After the first three-year period, a candidate is evaluated for a potential renewal of her/his Junior Co-financing agreement. A candidates must satisfy at least one of the following criteria to be eligible for a renewal of their NBAP co-financing:

- i. Have an article accepted in a top second tier general economics journal (i.e., Economic Journal, Journal of European Economic Association and Review of Economics and Statistics), or second tier finance journal (i.e., Journal of Financial Quantitative Analysis, Journal of Financial Intermediation and Review of Finance), or top macroeconomics journal (i.e., American Economic Journal: Macroeconomics and Journal of Monetary Economics), or top econometrics journal (Journal of Business of Economic Statistics and Journal of Econometrics).
- ii. Have an article either accepted or with revise-and-resubmit status in a top 5 economics journal (i.e., American Economic Review, Econometrica, Journal of Political Economy, Quarterly Journal of Economics and Review of Economic Studies), or top 3 finance journal (i.e., Journal of Finance, Journal of Financial Economics and Review of Financial Studies).

In case of ii), the co-financing payment is increased to a 35% top-up of wage per academic year for a full-time position, with a nominal cap of 350 000 NOK.

## **5 ASSESSMENT OF CANDIDATES**

NBAP's case-by-case assessment of a new candidate will be based on whether s/he satisfies criteria a), b) or c). In terms of extension, NBAP's case-by-case assessment will be based on whether the candidate satisfies criteria i) or ii). NBAP will base its discretionary assessment on the recommendation of the Scientific Advisory Board. The employer (academic institution) will be requested to submit a report describing the Junior Professor's progress, including a recommendation on whether to continue the co-financing for the following three years.

In the case where several academic institutions in Norway pursue the same candidate, the same NBAP funding will be made available for the candidate regardless of the candidate's choice of host institution.

## **6 ADMINISTRATION**

The academic institutions in Norway will identify and present eligible candidates for Co-financing of Junior Professorships to the NBAP administration.

Applications for co-financing are accepted throughout the year.

If an academic institution intends to make an offer to a candidate who may qualify for Junior Co-financing, it is the responsibility of the institution to approach NBAP, request an assessment of the candidate, and provide the required documentation for evaluation of the candidate by

NBAP. The required documentation is listed in the Co-Financing of Junior Professorships application form and includes the candidate's CV and documentation of the outside offer/fly-out list as described in Section 4: Eligibility.

Academic institutions may also approach the NBAP administration at any time during the year for a non-binding, provisional assessment of potential candidates that satisfy the eligibility criteria.

NBAP will strive to respond to all applications as soon as possible and normally no later than after five business days. If one of the members of the SAB is unable to respond, the others can act in his or her absence. At least two members of the SAB must participate in a decision to have a quorum.

## **7 THE OBLIGATIONS OF THE ACADEMIC INSTITUTION AS THE RECIPIENT**

NBAP will enter into an agreement with the academic institution on the junior professorship. The provision of NBAP funding to a (prospective) faculty member may not be used to lower the institution's remuneration of the candidate relative to other faculty or for any economic activity other than funding the junior professor. All funds provided shall be clearly separated from any economic activity carried out by the academic institution. The agreement governs inter alia:

- Period for Co-financing of junior professorship
- Compliance with host institution requirements
- Description of scope of junior professorship
- Payment details
- Junior Co-financing evaluation and reporting
- IPRs and publishing
- Termination
- Limitation of Norges Bank and NBAP's liability

The academic institution must on its part enter into an employment agreement with the candidate. The academic institution has full responsibility for the candidate in all respects, including as an employer. The candidate shall under no circumstances be considered an employee of Norges Bank.

## **8 GENERAL PROVISIONS**

All new Co-financing of Junior Professorships agreements are subject to the availability of funding under the NBAP scheme. NBAP will co-finance a maximum of twelve Junior Professorships at any given time and normally not enter more than four new contracts per year. NBAP encourages institutions to strive for equal recruitment of male and female faculty and will take into account the gender balance at an institution when evaluating applications for Co-Financed Junior Professorships.

An academic institution can, at maximum, be granted NBAP Co-financing of six Junior Professorships in parallel. If an academic institution reaches the maximum number of NBAP Co-Financed Junior Professorships, the institution cannot apply for a new NBAP Co-Financed Junior Professorship before the co-financing term of one of the existing agreements expires or is terminated unless unused funds have not been applied for by other academic institutions for two subsequent years. An academic institution can, at the maximum, be granted only one new NBAP Co-financing Junior Professorship per department (economics or finance) per year.

The NBAP programme for Co-financing of Junior Professorships will normally be reviewed on an annual basis.

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