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Nota di contenuto	Intro -- Contents -- I. Introduction -- II. Literature Review -- III. Stylized Facts on LIC Landscape and Fund Financing -- IV. Potential Economic Determinants of Participation in IMF Arrangements -- V. Methodology -- A. Identification of the Dependent Variable: Approval of IMF Arrangements -- B. Econometric Specification -- VI. Results -- A. Estimation Results: Benchmark Specifications -- B. Goodness of Fit -- C. The Threshold Probability Analysis -- D. Effects of Explanatory Variables on the Probability of Financing Events -- VII. Robustness Checks -- A. Logit versus Probit Model -- B. Alternative Probit Estimators for the Country Specific Heterogeneity -- C. Is There a Persistence Caused by Previous Fund Programs? -- D. Natural Disasters: Why Omitted from the Financing Events? -- E. The Effect of Export Concentration: Non-oil Commodities -- F. Fund Financing to CFA versus Non-CFA Countries -- VIII. Concluding Remarks -- Appendices -- References -- Figures -- 1. Fund Financing to LICs for Policy and/or Exogenous Shocks (1980-2008) -- 2. Low Income Countries: Selected Economic Indicators (1980-2007) -- 3. Distribution of Reserve Coverage in the Sample Prior to Financing Events versus Normal Episodes: CFA versus Non-CFA Countries -- 4. Threshold Probability Analysis -- 5. Model I: Counterfactual Simulations-Effects of Explanatory Variables on the Probability of Fund Financing -- 6. Model II: Counterfactual Simulations-Effects of Explanatory Variables on the Probability of Fund Financing -- 7. Comparison of Predicted Probabilities: Probit versus Logit Estimates -- Tables -- 1. Estimation Results: Demand for the Fund Financing in Response to Shocks -- 2. Predicted Probabilities (Percentiles) -- 3. Values of Explanatory Variables in Counterfactual Simulations -- 4. Financing for Natural Disasters: Estimation Results. 5. The Effect of Export Concentration: Non-oil Commodities -- 6. Model I: The Fund Financing to Non-CFA Countries -- Box 1. Why A Composite Indicator for Macroeconomic Stability? -- Appendices I. Data -- Appendix Tables -- A1. Country List: Estimation Sample -- A2. Model I Policy and Exogenous Shocks: Estimation Results for Alternative Specifications -- A3. Model II Exogenous Shocks: Estimation Results for Alternative Specifications -- A4. Model I Policy and Exogenous Shocks: Comparison of Alternative Estimators and Average Partial Effects -- A5. Model II Exogenous Shocks: Comparison of Alternative Estimators and Average Partial Effects -- A6. Effect of Previous Fund Engagement.
Sommario/riassunto	This paper estimates factors affecting demand for Fund financing by Low-Income Countries (LICs) in response to policy and exogenous shocks. Various economic variables including reserve coverage, current account balance to GDP, real GDP growth, macroeconomic stability, and terms of trade shocks are found to be significant determinants of Fund financing. Moreover, global conditions, including changes in real oil and non-oil commodity prices and world trade, are also significant. Therefore, the demand for Fund financing by LICs is likely to be cyclical in response to common shocks with its intensity depending on the severity and persistence of adverse shocks.