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PRIME MINISTER

Community Aid

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Community aid is divided into two parts. First there is the European Development Fund, which is not part of the budget and which is financed separately. The key for contributions is different, our share being about 17½% compared with our average contribution to the main budget of 22-23% or 20-21% at the margin. There is pressure from some countries to "budgetise" the EDF but this would cost the UK more and it is opposed by some other countries because it would put pressure on the own resources ceiling.

Aid is also provided from within Chapter 9 of the main budget. This is spent principally on food aid. This component of aid is financed from own resources and VAT in the normal way with our share being around 22%.

In total the UK contributes £179 million to Community aid of which £71 million goes to the EDF and £108 million goes to Chapter 9.

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1 December 1983