1. Background to the PHL/DEA Contribution Agreement

In June 1992, Canada and Russia signed a Memorandum of Understanding (MOU) which committed Canada to assist the Russian Government in identifying environmental priorities in the Russian Federation, and in determining whether Canadian environmental technology and service companies could help address these priorities.

PHL proposed to:

- identify appropriate environmental projects in Russia, in which
 Canadian environmental technology and service companies could
 participate, with support from Russian government officials, NGOs and
 other individuals and organizations;
- identify environmental NGOs, joint venture participants, government
 officials, funding sources and other individuals and organizations who
 might assist Canadian involvement in environmental cleanup projects in
 the Russian Federation.

A Contribution Agreement was signed by PHL and DEA for the period July 21, 1992-March 31, 1993.