SASOL FOUNDATION

FIELD OFFICE Mr. SAM MUTHOKA

MUTISO

P.O. Box 85, Kitui, Kenya

Nairobi, Kenya

Tel: 254 - 0141 - 22873.

or 802171

Email: sasol@form-net.com

muticon@wananchi.com.

LIAISON FFICE PROF. G-C. M.

P.O. Box 14333,

Tel: 254-02-860772

Email:

29/01/2001

Mr. Andrew Smallwood DFID P.O. Box 30465 Nairobi

Dear Mr. Smallwood,

RE: Socio-Economic Study of Kitui Water Retention Sand Dams KEN 146/26

Further to Mr. Alan Reid's letter of 18 /9/ 2000, DFID gave SASOL a three year grant to extend the construction of sand dams in Kitui. Within it is provision for detailed socioeconomic research of the dam area.

SASOL has evaluated researchers and come to the conclusion that given Muticon Ltd. research track record in Kitui, it would be advantageous to commission them for this work. Prof. Mutiso is non-executive Chairman of SASOL He is also a senior partner in Muticon Ltd. It is out of these facts I raised the issue of conflict of interest with you today. Last week, I did discuss the same with Mark Rotich, the Project Programme Officer.

My understanding of the conclusions of today's meeting with you IS as follows: That SASOL can appoint Muticon Ltd. to undertake the study if Prof. Mutiso is not involved in the report writing. Further, SASOL will issue Terms of Reference for the study. Invoicing by Muticon Ltd. will be as per the TORs and an accepted Work Plan. That past SASOL subcontracting payment procedures will be followed i.e. invoices are submitted to SASOL Field Manager for verification against planned deliverables and paid after verification subject to counter signature by the Chairman of the Executive Committee of the Board (who also is the Deputy Chairman of the SASOL Board) based in Kitui. Muticon Ltd. will identify and supervise the researchers without Prof. Mutiso interfering with the conclusions of the researchers. This will be communicated to all parties within SASOL and DEID

If I misunderstood the conversation please let me know.

Sincerely,

G-C. M. Mutiso Chairman,

SASOL Board.

Cc. 1. Mark Rotich

- SASOL Field Manager
 Chairman, SASOL Board Executive Committee