Dear Sir,

RE: FAST TRACK CAPACITY BUILDING PROGRAMME FOR UTILITIES (LAKE VICTORIA REGION WATER AND SANITATION INITIATIVE)

Situational Analysis & Training Needs Assessment Report and Capacity Building programme

Please refer to the Cooperation Agreement between UN-HABITAT and National Water and Sewerage Corporation, Uganda signed in April 2007. As per the Cooperation Agreement, we hereby submit to you the Situational Analysis and Training Needs Assessment Report that includes a list of basic equipment and relevant software and the Capacity Building programme that outlines the training plan and modules to be adopted during the training.

We have so far received the advance payment of US $ 54,505 paid to the account of NWSC External Services in July 2007. These funds cover the costs for the Situational Analysis and Training needs assessment and the upcoming six day workshop for Change Agents to be held in Kampala from the 24th September 2007. Details of how the first payment has been disbursed are hereby attached.

We therefore request for the second payment that amounts to 30% of the overall contract sum i.e. USD 81,757.5 as per attached invoice.

Dr. Eng. Silver Mugisha  
Chief Manager, Institutional Development and External Services

cc: Managing Director  
Chief Manager Finance and Accounts  
Programme Manager UN HABITAT

"NW&SC - Water is Good Water for Public Health"
TAX INVOICE

Customer

Company: UN HABITAT
Name: ANTOINE KING
Address: P.O BOX 30030
City: UN COMPLEX GIGIRI
Country: KENYA
Phone: + 254 20 762 4056
Fax: + 254 20 762 4262

Description
SECOND INSTALLMENT EQUIVALENT TO 30% OF THE MAXIMUM AMOUNT ON SIGNATURE OF THE COOPERATION AGREEMENT BY UN-HABITAT & NATIONAL WATER & SEWERAGE CORPORATION, UGANDA FOR THE CONSULTANCY ON TECHNICAL EXPERTISE ON THE IMPLEMENTATION OF THE FAST TRACK CAPACITY BUILDING PROGRAMME FOR UTILITIES WITHIN THE PROGRAMME LAKE VICTORIA REGION WATER AND SANITATION INITIATIVE (LVWATSAN)

Outputs include
Situation Analysis and Training Needs Assessment Report
Prioritized list of basic equipment and relevant software
Capacity Building Programme including Training programme plan and Training Modules
Statement showing the use of funds so far disbursed.

Unit Price (USD)  TOTAL (USD)
81,757.50

Terms and Conditions
Payment is due within 30 days of receiving this invoice.

Correspondent bank details
Currency: USD (United States Dollars)
Currency code: BAC0US33
Correspondent bank: Barclays Bank PLC, New York
Account No.: 050 022 896

Correspondent bank details
Currency: Euros
Currency code: BAC0EURO22
Correspondent bank: Barclays Bank PLC, London
Account No.: 203 253 5727222

"NWSC - Bringing Services Closer"
Accountability for funds used for carrying out the situational analysis and training needs assessment in the towns of Muleba, Bukoba, Kisii and Homa Bay

Funding Partner: UN HABITAT
Recipient: NWSC

Currency: United States Dollars and Uganda Shillings

Agreement Amount (USD): 272,525
First payment (USD): 54,505
Amount Received (UGX): 84,755,275
(Exchange Rate used UGX 1555)

<table>
<thead>
<tr>
<th>Activity/Components</th>
<th>Unit</th>
<th>Quantity</th>
<th>Rate (US$)</th>
<th>Amount (US$)</th>
<th>Amount (UGX)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional development and performance management expert</td>
<td>man-days</td>
<td>10</td>
<td>350</td>
<td>3,500.00</td>
<td>6,125,000</td>
</tr>
<tr>
<td>Operations and Maintenance Expert</td>
<td>man-days</td>
<td>10</td>
<td>350</td>
<td>3,500.00</td>
<td>6,125,000</td>
</tr>
<tr>
<td>Financial and Commercial Expert</td>
<td>man-days</td>
<td>10</td>
<td>350</td>
<td>3,500.00</td>
<td>6,125,000</td>
</tr>
<tr>
<td>Training Needs Expert</td>
<td>man-days</td>
<td>10</td>
<td>350</td>
<td>3,500.00</td>
<td>6,125,000</td>
</tr>
<tr>
<td>Car and Driver</td>
<td>man-days</td>
<td>10</td>
<td>150</td>
<td>1,500.00</td>
<td>2,625,000</td>
</tr>
<tr>
<td>Back-stopping</td>
<td>man-days</td>
<td>5</td>
<td>650</td>
<td>3,250.00</td>
<td>5,687,500</td>
</tr>
<tr>
<td>Per-diem Expenses</td>
<td>man-days</td>
<td>40</td>
<td>75</td>
<td>3,000.00</td>
<td>5,250,000</td>
</tr>
<tr>
<td>Transport during Training Needs and Situational Analysis</td>
<td>man-days</td>
<td>15</td>
<td>200</td>
<td>3,000.00</td>
<td>5,250,000</td>
</tr>
<tr>
<td>Sub Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>43,312,500</td>
</tr>
</tbody>
</table>

Proposed expenditure for balance on first payment to be spent during the Training for Change Agents

Outstanding balance (U.Shs) 41,442,775
Outstanding balance (USD using exchange rate of UGX 1750) 23,682

Costs to cover: Training fees, training materials and facilities, transport during training and the excursion and Preparation of Training Report