

REPUBLIC OF AZERBAIJAN
MINISTRY OF FINANCE
STATE TREASURY DEPARTMENT

Approved by:

TIMS Program Director,

CARANA Corporation

_____ A. Rammal

Treasury Information Management System
Based on SAP Solution

PROJECT CHARTER

TIMS Project - 1st Phase Deliverables

The highlighted sections below correspond to the deliverables due from SAP CIS & Baltic States, under its Subcontract No. 729.1-SAP, Attachment E, with CARANA Corporation, dated 12 April 2004. The Subcontract corresponds to the automation of the Treasury Information Management System (TIMS) for Azerbaijan Ministry of Finance (MOF).

Deliverables	Source Documents
Approved High-Level Business Requirements Documents (SAP Solution Map) tailored to the Ministry of Finance/CARANA requirements in accordance with Subcontract Agreement #729.1-SAP.	Document: "High Level Business Requirements for Treasury Information Management System (TIMS) based on SAP Solution"
Approved Project Charter	Project Charter
Approved project procedures and standards	Project Charter: Section 8-9, Appendix 1-13
Finalized and approved end user and Project Team training plan	Project Charter: Section 9, Appendix 15
Approved technical infrastructure, landscape strategy and sizing results	Technical Requirements document
Established Project Team work environment	Project Office at MoF
Installed development system environment	R/3 Development System

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List of Acronyms

BO	Budget Organization
BSL	Budget System Law
CT	Central Treasury
DB	Database
DBA	Database Administrator
DDD	Domestic Debt Department
DE	Data Entry
DOS	Disk Operating System
FDDI	Fiber Distributed Data Interface
GB	Giga Bytes, 1,024 Mega Bytes
GFS	Government Finance Statistics
GFMIS	Government Financial Management Information System
GL	General Ledger
GOA	Government of Azerbaijan
GUI	Graphical User Interface
IMF	International Monetary Fund
KB	Kilo Bytes, 1,024 Bytes
LAN	Local Area Network
MB	Mega Bytes, 1024 Kilo Bytes
MO	Magneto-Optic
MOF	Ministry of Finance
MS-DOS	Microsoft-Disk Operating System
MS-WIN	Microsoft Windows
NBA	National Bank of Azerbaijan
OJT	On-the-job-training
OS	Operating System
OO	Object-Oriented Language
PDD	Public/Foreign Debt Department
RAID	Redundant Array of Inexpensive Disks
RDBMS	Relational Data Base Management System
RFP	Request For Proposals
RT	Region Treasury
SOW	Statement of Work
SW	Software
TCP/IP	Telecommunications Protocol / Internet Protocol
TIMS	Treasury Information Management System
UNIX	Name of a multi-user operating system
UTP/BNC	Unshielded Twisted Pair/Network Connector
UUPC	UNIX to UNIX Personal Computer
UUCP	UNIX to UNIX Communications Protocol
YTD	Year-to-Date

1. Introduction

The United States Government, represented by the US Agency for International Development (USAID), Baku Mission, has tasked Carana Corporation (CARANA) to introduce and implement the Treasury Information Management System (TIMS) under USAID Contract No: GS-10F-0150K.

This document is prepared under the Subcontract Agreement # 729.1-SAP between CARANA and SAP CIS and Baltic states LLC (SAP CIS), the software provider for TIMS solution for the State Treasury Department of the Ministry of Finance of the Republic of Azerbaijan and its 85 regional treasuries.

In case of any discrepancy, the provided SAP Solution shall conform to all functional, contractual and technical requirements, stated in above mentioned Subcontract Agreement with CARANA.

2. Project Goals and Objectives

The goal of the Project is to introduce and implement a treasury solution, for the State Treasury of Azerbaijan, built on best international standards and practices in Government Financial Management Information Systems (GFMIS).

The second goal of the TIMS Project is to train, by SAP CIS & Baltic States, an implementation team of 12 to 18 functional and technical trainers, from the Treasury and CARANA Corporation, to maintain the final TIMS System in production mode, and roll it out, without any outside assistance, to the remaining 82 regional treasury offices, beyond the initial pilot project under the responsibility of SAP CIS & Baltic States.

TIMS will be based, to the maximum extent, on standard SAP software solution(s) that support core Treasury of Azerbaijan functions, responsibilities, and daily operations, including but not limited to:

- Control and registration of budget commitments and expenditure, with due respect to budget and/or cash limits
- Cash management, including cash flow planning
- Budgetary reporting functionality for real-time reporting on Treasury operations and activities
- On-line warehouse facility with adequate tools needed for required planning, data analysis, additional internal and external reporting.
- Appropriate interfaces allowing data exchange with outside Government agencies, ministries, and regional treasuries.

3. Rollout Roadmap

At present, the Treasury's organizational structure comprises the Central Treasury in Baku and 85 regional offices.

The SAP Treasury solution will be implemented in two steps:

- Step 1: Pilot implementation at the Central Treasury and three regional offices (RTs), May 2004 – October 2005;
- Step 2: Rollout to the remaining 82 RTs.

The scope of this Project covers the First Phase of system rollout, i.e. Pilot implementation.

4. Pilot Project Scope

4.1 Project Functional Scope

4.1.1 SAP Solution Functional Areas

The Project Functional Scope covers the functional areas set forth below:

- Budget Authority Management (Registration and Delivery of Budgetary Data)
- Commitments Management
- Payment Management
- Receipts Management
- Cash Management
- Debt and Aid Management (interfaces with external systems)
- Budgetary Reporting
- General Ledger & Chart of Accounts functionality in financial accounting, cross-referencing, and fiscal reporting

Note:

A more detailed description of future TIMS business processes is contained in the Statement of Work of the Subcontract

4.1.2 Budget Authority Management (Registration and Delivery of Budgetary Data)

The key objective of the SAP solution in this functional area is to provide effective functionality for budget authority management so that a) the Treasury users can effectively execute the budget, and b) over-expenditures and over-commitments are avoided. The final TIMS System will also be capable of generating both standard and *ad hoc* reports that clearly reflect the current status of the budget when viewed from a range of different perspectives to be defined during the Project Blueprint Phase

4.1.3 Commitments Management

The key objective of the SAP solution in this functional area is to provide a Commitment Management Module that a) allows the recording and maintenance of commitment information, b) prevents commitments being entered in excess of available cash limits, except where permitted and pre-defined by the Treasury, c) interfaces with the accounts payable and payments systems, and d) has comprehensive and flexible commitments reporting functionality.

4.1.4 Payment Management

The key objective of the SAP solution in this functional area is to provide a fully functional Payment System that a) allows the processing of payments from request initiation all the way through to disbursement, b) records and maintains full details of payments, c) prevents payments being processed in excess of available funds, c) interfaces with the accounts payable and commitment systems, and d) has comprehensive and flexible reporting functionality with respect to payments.

At present, the RTs maintain transit bank accounts from which payments are made. These accounts are cleared to the Treasury Single Account on a daily basis. Following the implementation of the TIMS, it is envisaged that all payments shall be processed from the CT (excluding cash payments – e.g. payrolls). The CT has a SWIFT terminal and is a member of the National Bank of Azerbaijan's AZIPS system (Azerbaijan Inter-bank Payments System). The TIMS will allow the RTs to initiate proposed payments that will be accessible by the CT. Once it is established that sufficient cash is available, the CT will be able to process the payments through AZIPS. The RTs will continue to accrue revenue to their transit accounts.

4.1.5 Receipts Management

The key objective of the SAP solution in this functional area is to provide functionality for managing revenue, other receipts and accounts receivable, including control and management of debtors, processing of revenue transactions, and reporting on revenues, other receipts and debtors.

The government's key revenues, taxes and customs and excise duties, are processed using separate systems by the relevant revenue collection agencies. The TIMS project is not expected to provide functionality to manage these business areas. These revenues will be recorded in the TIMS largely on the basis of information received from banks.

4.1.6 Cash Management

The key objective of the SAP solution in this functional area is to provide a module or sub-system to assist with the Treasury's cash management function. The Cash Management Module, in addition to recording and managing actual cash transactions, will facilitate cash flow projections as an aid to short and medium term decision making. For example, the Cash Management Module will facilitate and support assessment of daily, weekly or monthly cash requirements, the correlation between these requirements and expected cash inflows, and any resulting surplus/deficit. These factors, in turn, will aid in decision making on whether to reprioritize expenditure to avoid borrowing, or to borrow, or to invest any temporary surplus cash that might arise because of seasonal or other factors.

Cash Management is currently an area where significant improvements will be made once the final TIMS System is available to facilitate the process.

4.1.7 Debt and Aid Management

In addition to Budget and Treasury functions, the MOF is responsible for managing and coordinating all of the government's debt and aid activities. The Debt Departments are organizationally distinct from the Treasury. The Public Debt and Domestic Debt Departments are responsible for foreign and domestic debt management, respectively. They currently operate two stand-alone foreign debt and domestic debt information systems based on MS Excel.

It is expected that these two debt management systems will continue to support the management of public debt. The following table sets out the requirements that the TIMS shall satisfy with respect to debt and aid in this context. A separate Debt Management Module is not essential insofar as the required functionalities are available. However, the TIMS System will record all the receipts and payments related to debt and aid and provide an interface to the existing MS Excel based system. The TIMS shall also be able to send and receive data to and from the existing (non-TIMS) debt management database for the purpose of operating and managing a fully integrated a government financial management system, including cash (liquidity) management and forecasting and reporting.

4.1.8 Fiscal and Budgetary Reporting

The key objective of the SAP solution in this functional area is to document the actual standard reporting system, most relevant to TIMS, and to implement additionally flexible external (e.g. GFS, etc.) and internal (Parliament, Customs, Tax Ministry, Chamber of Accounts, Ministry of Economic Planning and Development, Prime Minister office, etc.) based on predefined forms so that users without any report development expertise can run the reports on their desktops. Similarly, end-users shall also be able to define *ad hoc* reports and to drill down from summary information shown on reports to more and more detail, ultimately to the individual transactions.

4.1.9 General Ledger and Chart of Accounts (Financial Accounting)

The key objective of the SAP solution in this functional area is to provide general ledger (GL) features, including double-entry accounting, automatic balancing and real-time trial balance, integration with subsidiary ledgers, including automatically synchronized control accounts, journals, comparable information from different dimensions e.g. actual, budget, forecast, etc., and flexible reporting features.

The TIMS shall also accommodate transaction level data for all State Budget Sector entities, including extra-budgetary operations of these entities that are subject to Treasury control and will be recorded in the GL. Entities such as the Oil Fund will process their own transactions at this stage but will report also to the Treasury. Such reports will be suitable for entry in a separate section of the GL to allow the generation of consolidated reports for the consolidated reporting to the government. The TIMS will support consolidations at various levels. Finally, TIMS shall be able to produce fiscal reports on Government and budget performance in accordance with GFS norms and coding structure.

4.2 SAP Solution Map

The SAP Solution Map illustrates the system modules that will be used to realize the functional requirements of the TIMS.

4.2.1 SAP Component List relevant to the Treasury solution

PSM - Public Sector Management:

The functions in this component support the creation and execution budgets. The budget can be modified by entering releases, supplements, returns, and transfers.

BCS – Budget Control System

This component includes all of the settings and functions in the budget control systems that are necessary for processing budget data. The functions include budget data entry, budget updating, and fiscal year-end budget closure operations.

PSCD – Public Sector Collection and Disbursement

This is an industry-specific solution for the Public Sector. It facilitates the management of taxes, charges and state benefits from and for business partners and/or citizens, students and taxpayers. The business partners (citizens, students or taxpayers), their accounts (citizens' accounts, students' accounts or tax accounts) and contract objects (tax and state benefit objects), including the related business transactions, are managed in Contract Accounts Receivable and Payable.

FI - Financial Accounting

This component fulfills all the requirements that must be met by the financial accounting department of an organization. It enables the management and representation of all accounting data. All business transactions are recorded according to the document principle, which provides a continuous audit trail from the financial statements to the individual documents

MM (PUR) – Material Management - Purchasing

Purchasing is a component of Materials Management (MM). The Materials Management (MM) module is fully integrated with the other modules of the SAP System. It supports all the phases of materials management: materials planning and control, purchasing, goods received, inventory management, and invoice verification. Special usage of MM for the Treasury's purposes will be proposed.

BW – Business Warehouse

The reporting, analysis, and interpretation of business data is crucial to the public sector as well as to any business in guaranteeing their competitive edge, optimizing processes, and enabling them to react

quickly and in line with the changes and market conditions. SAP Business Information Warehouse (SAP BW) provides data warehousing functionality, a business intelligence platform, and a suite of business intelligence tools that enable businesses and public sector clients to attain these goals. Relevant business information from productive SAP applications and all external data sources can be integrated, transformed, and consolidated in SAP BW with the toolset provided. SAP BW provides flexible reporting and analysis tools to support the evaluation, interpretation and distribution of data. Businesses are able to make well-founded decisions and determine target-orientated activities on the basis of this analysis.

SEM – BPS – Strategic Enterprise Management - Business Planning and Simulation

Business Planning enables the production of planning applications. Treasury end-users shall be able to either develop their own planning applications or use the Business Content software delivered by SAP. The area of application stretches from simple data input to complex scenarios with data extraction, automatic planning preparation, manual data input, planning process controlling, and retracting plan data.

4.2.2 SAP Solution Map tailored to the Treasury TIMS solution

Table I, SAP Function Solution Map tailored for TIMS Project

SAP Functional Solution Map for TIMS			
Functional Area/	SAP Module	Central Treasury	Regional Treasury
Budget Authority Management		PSM	PSM
Cash Management		SEM -BPS	
Commitments Management		MM	MM
Payment Management		FI, PSM	FI, PSM
Receipts Management		PSCD	
General Ledger and Chart of Accounts		FI	FI
Budgetary and Fiscal Reporting		BW, BCS	BW, BCS
Debts and Aid Management		SAP interfaces	

4.2.3 Standard SAP Organizational units and Business Processes tailored to the Treasury's requirements

Table II, SAP Functional Scope for TIMS Project

TIMS SAP Functional Scope		Central Treasury	Local Treasury
Standard Organizational units			
Company code		*	*
Business area		*	*
Financial Management area		*	*
Plant		*	*
Purchasing organization, purchasing group		*	*
Controlling area		*	*
Master data			
	Maintain master data of treasury organization codes & financial sources	*	*
	Expenses classification		*
	Revenue classification		*
	Funding sources (Registration & processing)	*	*
	Budgets & funds (Registration & processing)	*	
	Record and maintain budget data for BO	*	*
	Record and maintain vendors	*	*
	Banks (Registration)	*	
	Record and maintain master data of taxpayers & taxpayer contract accounts	*	*
	Record and maintain master data of normative assignments	*	
	Chart of accounts (registration)	*	
Business processes			
01 Budget Authority Management			
	Budget request treatment	*	*
	Record & maintain budget	*	*
	Record and maintain Cash Limits	*	*
	Budget allocation	*	*
	Cash Limits distribution	*	*
	Record and maintain changes to budget & cash limits	*	*
	Information system	*	*
02 Cash management			
	Enter receipts & expenditure budget	*	*

	Enter receipts & expenditures forecasting data per financial resources	*	
	Cash budget generation	*	
	Enter actual budget execution data	*	
	Enter CT balance	*	
	Cash plan definition	*	
	Record and maintain Cash Limits	*	
	Cash limits distribution	*	*
	Debt data management	*	
	Information system	*	*
04 Payments Management			
	Cash request for payments to vendors	*	*
	Cash request for payments to transit account for cheques	*	
	Registration of advance payment request	*	
	Registration of request for partial payment	*	
	Registration of available amount for payment		*
	Payment confirmation	*	*
	Payments	*	*
	Bank statement handling	*	*
	Interest on debts for credit	*	
	Information system	*	*
05 Receipts Management			
	Bank statement handling	*	*
	Unclearified payments handling	*	*
	Allocations handling	*	*
	Generation of payment documents	*	*
	Returns	*	*
	Information system	*	*
06 General Ledger and Chart of Accounts			
	Balance sheet version	*	
	Closure operations	*	*
	Foreign currency valuation	*	
	Posting time period change	*	
	Information system	*	*
07 Fiscal (Budgetary) reporting. Debt an Aid Management			
	BW+SEM-BPS reporting capabilities	*	

Note: In accordance with SAP policy, the SAP Solution Map can be adjusted during the Business Blueprint phase.

4.3 Project Organizational Scope

The project scope encompasses the installation of SAP solution for 72 technical and end-users, in the Central Treasury and in the 3 regional treasuries specified in 4.4 below, as follows:

- 5 Professional licenses
- 55 Limited Professional Licenses
- 12 licenses for users with “read-only” ability.

4.4 Project Geographical Scope

Within the bounds of this Project, the SAP solution will be implemented in the Central Treasury located in Baku, and in three RTs located in the towns of Ganja, Khatai (Baku district), and Khatchmaz.

4.5 Project Technical Scope

The project technical scope encompasses the measures required for the reliable operation of the SAP solution, in addition to project team support. The project technical scope includes:

- Development of the SAP solution system landscape hardware requirements
- Development of the regulatory technical documentation
- Development of requirements for the corporate network including communication lines between Treasury offices
- SAP system administration during Pilot project
- Support of the project team working environment
- Support of the end users working environment within the Central Treasury and the 3 additional Pilot Sites
- Technical and functional personnel training to provide TIMS system production support at Central Treasury and Pilot Sites

See the details in the “Technical Requirements” document.

4.6 System Localization Scope

System localization in the Azeri language will be carried out per the SAP standards within the bounds of the project functional scope and in accordance with Section 3.1 “language requirements” in the Statement of Work (SOW), Attachment A of CARANA/SAP CIS & Baltic States Subcontract. Pursuant to the SAP standards, at least the following items shall be translated:

- User menus, reports, and forms
- Error messages (according to SAP-terminology)
- Text strings of the program code
- User-defined screen fields
- Short descriptions of database table names
- Data element names
- Most of help screens
- End-user guides by specialty

As a rule, such translation shall provide TIMS users with the required interface in English and in Azeri language, using technical professional terminology commonly used in public sector financial management systems. This list of SAP system items for localization will not be extended, for the TIMS project, beyond SAP worldwide practice for the level it provides on the international market.

End user manuals and system administration guides will also be translated into English and into Azeri or Russian languages.

4.7 Project Documentation Scope

A detailed list of project documents will be elaborated during Phases 2 & 3 of the Project based on the list of Project Deliverables from CARANA/SAP CIS & Baltic States Subcontract, Attachment E.

4.8 Project Training Scope

SAP CIS & Baltic States, under the TIMS Project, shall train an implementation team of 12 to 18 functional and technical trainers, from the Treasury and CARANA Corporation, to maintain the final TIMS System in production mode and roll it out, without any outside technical assistance, such as from SAP team and its subcontractors, to the remaining 82 regional treasury offices, not covered by CARANA Corporation and SAP CIS & Baltic States Subcontract.

SAP CIS & Baltic States will recommend for the implementation team, where felt necessary, additional training courses to the training schedule, Attachment G of CARANA/SAP CIS & Baltic States Subcontract during each phase of the project in line with ASAP methodology and Attachment E of the Subcontract

4.9 The Project Does Not Cover

- System roll-out to the remaining 82 regional Treasury offices, not included in the Pilot Project (CT + 3 RTs), will not be carried out by SAP CIS & Baltic States.
- Providing communication channels and hardware technology infrastructure for the TIMS system, except where required in CARANA/SAP CIS & Baltic States Subcontract, namely in Attachment K.
- Ensuring data reliability and accuracy for non-SAP systems. However, SAP CIS team will develop and provide adequate data interface facilities to integrate reliable data, from these systems, into the final TIMS System.
- Establishment of a Customer Competence Center for production system support, however a complete guidance and technical advice on the establishment of such center is expected from SAP team.
- TIMS system end-user training for RTs in the 82 remaining RTs, outside the pilot project area.
- Implement change management tasks. However, the definition of all authorization authorities, the development of pre-defined end-user screens by type and group of users, and a complete gap analysis showing the gap between current and future business processes have to be clearly defined and delivered by SAP CIS & Baltic States team, so adequate training programs, in line with future roles and responsibilities, can be recommended and new workflows are clearly identified and presented to the MOF.
- Implementation of the SAP "Asset Management" module and other modules not included in the SAP Solution Map for the TIMS system.
- System version replacement during pilot project implementation, except where required by the Maintenance Agreement.

Note:

SAP CIS suggests that the customer should establish the Customer Competence Center for production system support. SAP CIS shall recommend its organization and provide necessary technical advice without being responsible for its establishment at the MOF in Azerbaijan.

5. Project Implementation Phases

The Project will be implemented using the ASAP (Accelerated SAP) methodology, which is integrated into SAP R/3 and aims at quick implementation. The ASAP methodology is based on best international SAP implementation practice.

The ASAP methodology encompasses five project implementation phases.

1. Project Preparation
2. Business Blueprint
3. Realization
4. Final Preparation
5. Go Live and Support

5.1 Project Preparation

This phase includes the project kick-off itself. It encompasses the following tasks:

- Definition of the project objectives; Development and confirmation of the Project Charter
- Organization of the Project working bodies: Steering Committee, Operating Committee(Management Team), Project Office
- Elaboration and confirmation of the strategy and implementation scope
- Elaboration and confirmation of the project detailed schedule
- Elaboration and confirmation of the project group training plan
- Elaboration and confirmation of the consultant loading plan
- Elaboration and confirmation of the project standards and procedures
- Definition of technical requirements
- Project kick-off meeting.

Before work commences, it is essential that the Treasury assign a Steering Committee Director and Project Manager.

5.1.1 Key Tasks at the Project Preparation Phase:

- Create and issue the Project Charter, Project Plan, Project Organization, Project Procedures
- Review and refine the Implementation Strategy: Elaboration of the “High Level TIMS Business Requirements Document” based on the SAP functional Solution Map tailored to the Treasury business requirements defined in Subcontract, Attachment A: Statement of Work
- Technical requirements planning, elaboration of the TIMS Technical requirements document tailored to the Treasury
- Training Project Planning Phase
- Landscape installation and setup for the TIMS SAP Development System
- Project infrastructure setup (physical location, phone, fax, network connections, Internet, e-mail, etc.);
- Quality Check Project preparation phase

5.2 Business Blueprint

This stage will involve defining the Treasury's established activity sequence and its business-parameters, and gaining insight about goals, functional trends and organizational structure.

The description of existing business processes for the first implementation phase scope in itself represents the whole list of business processes "as is". The processes to be modified and the extent of such modification must then be defined based on the system or the Treasury's requirements. The goal of Business Blueprint is to set the task of developing and setting the system.

This phase includes the development of:

- **A master list of business processes** existing in the Treasury with indication of those that will be realized in the system at the first pilot project phase
- **A detailed description of every business process subject to implementation** – in the "as is" state
- **A Business Blueprint in system terms** – business processes description "as will be" in the information system:
 - Organizational structure
 - Master data (chart of accounts, budget structure, etc.)
 - Business processes (original documents, functions, reports)
 - Work places and User roles description.
- **A development registry** – program extensions list to cover gaps between the needed Treasury processes and SAP R/3 standard business ones
- **Interface list and data transfer rules** between R/3 and other active applications
- **Principles governing migration** from the existing information system to SAP, including data conversion algorithms
- **Approved baseline scope** – obligatory list of business processes subject to implementation in the production system.

It is a fundamental requirement that all tasks to be carried out by the system must be described in the Business Blueprint. Any alterations in the organizational plan, accounting system or business processes arising after this phase will seriously affect the project deadline and may be even endanger the Project.

5.2.1 Key Activities at the Second Phase

The main task to be solved by the Business Blueprint concerns defining conformity between the Treasury business-organization elements on the one hand and SAP functionality and software components on the other.

The Treasury business organization elements include:

- Business processes, including their organizational concept, scenarios, functions, business rules
- Systems and standards of accounting and reporting
- Classifiers and referencing information
- Elements of the current organizational structure.

The format of the second phase deliverables is described in the Chapter 7: "Project Standards and Procedures".

5.2.2 Quality Control at the Second Phase

Internal and external quality control procedures will be applied to evaluate the design solution developed at the second phase.

For internal quality control purposes, all project materials will be submitted to the Steering Committee for validation as they become available and on completion of the second phase.

The Project Review will be carried out in the scope of external quality control. The Project Review will be conducted by a SAP Chief Consultant not involved in the Project personally.

5.2.3 Simultaneous Activities

The following tasks will be clearly identified before the Realization phase:

- Set up the system landscape and development environment, including development system, testing system environment, and transport system between development system and testing system

5.2.4 Second Phase Training

The Business Blueprint phase encompasses training the implementation team per the schedule approved during project preparation and revised by SAP CIS in Phase I of the Project.

The essential prerequisites for this stage are as follows:

- Availability of working environment for working groups
- Assignment of the Project Managers and functional teams
- Assignment of key users, members of functional teams

5.2.5 Key Tasks of the Blue Print Phase

- Develop the system environment for the Development and Quality Assurance TIMS SAP systems
- SAP organizational structure definition for the logical model of the TIMS SAP solution
- SAP business process definition for the logical model of the TIMS SAP solution
- Functional specifications for the business blueprint phases, including forms and reports layouts, etc.
- Data conversion and migration strategy for existing systems at the MOF.
- Required user and data interface to external systems, such as Foreign and Domestic Debt Department, Budget Preparation Department, National Bank of Azerbaijan, Tax Ministry, Chamber of Accounts, etc.
- Business Blueprint Phase training via SAP standard courses and also training on-the-job (project activities)
- Preparation of system localization into Azeri
- Initial test strategy and acceptance criteria
- Quality Check Business Blueprint Phase

5.3 Realization

This phase encompasses system configuration based on the baseline scope. The phase includes the following tasks:

- Functional team training
- Configuration, testing and confirmation of the baseline scope (in several iterations) including authorization concept and working place configuration
- System management, including testing plans, service rendering obligations, setting quality assurance environment, productive operation and system administration function
- Data transfer program development

- Interface program development
- Extensions development
- Information system quality check
- Preparation of the end-user manual.
- Development of a detailed test plan for the final TIMS System (CT and three RTs).

This phase is conducted in two iterations with continuous system improvement at each subsequent iteration. The end of each iteration shall be documented with business process test protocols (Attachments 3 & 4). Every iteration has the following deliverables:

- The system prototype including authorization concept and work center configuration, current reports, versions of the most important data reference books
- A list of inconsistencies between this prototype and the Business Blueprint
- A revisions plan for the development of the next prototype

The essential prerequisites for this Phase are as follows:

- Approved Business Blueprint
- Fully staffed functional teams.

This phase includes final detailed development of business processes, accounting systems, and project decision making. This phase allows changes to individual solutions which can result in changes to the Business Blueprint. You shall document all changes to the Business Blueprint and update the Business Blueprint per the changes. All changes must be approved with all members of the Project Team. Any major changes in business processes and accounting systems will be adjusted with the change management team and approved by the Steering Committee.

A key factor for success is creating documentation on all settings and developments made by the Project Team. Documentation standards for Project Team settings and developments will be specified at the beginning of the implementation phase.

5.3.1 Documentation on customization

The team members shall develop the "Customization Description" document on completion of customization, including IMG clauses where customization took place and note file describing customization.

The documentation standards are subject to clarification and will be elaborated before the Implementation phase. See Attachment №1 for the suggested format.

5.3.2 Development Request

If the standard business processes for change requests need to be changed (Attachment №2), a development request will be drawn up. The request format and change procedures will be clarified prior to the commencement of the implementation phase.

5.3.3 ABAP Development

ABAP developments will be performed per the Development Specification (Attachment №3). The "Development Description" document is prepared following the completion of development.

ABAP development project standards, i.e. naming conventions, screen structure, etc., will be specified prior to the commencement of the implementation phase.

5.3.4 Testing

SAP CIS is going to provide a final software solution tailored to Azerbaijan requirements. SAP CIS will perform its own Solution testing before this release for Azerbaijan MOF. In addition to the above CARANA and MOF will perform additional testing, prior to acceptance including, as specified below, and documented in the test strategy (Phase 2) and in the detailed test plan (Phase 3).

Final system testing shall include:

- Business process testing (within a single business area)
- Scenario testing (across several business areas)
- Customer software development testing
- Integration testing
- Localization capability testing
- Performance testing
- Stress testing
- Reports testing
- End-user interface testing
- Documentation testing
- Parallel testing
- Etc.

The Functional Project Work Groups will prepare test cases in MS Word format for testing purposes. The test cases will be based on MOF and Treasury business processes and required external system interfaces.

Prototype testing will be carried out based on the test case description. The test results will be set forth in the protocol (Attachment № 4, 5, 6), including all errors and discrepancies ranked in order of severity:

Table III, Ranked discrepancies and errors for Test Results Protocol.

Level	Error/Discrepancy
1	Errors that make passage to production impossible because of fundamental technology faults, system inoperability, or other fundamental errors of implementation.
2	Errors that make passage to production possible but with serious limits in functional or technical parts of one or more application areas.
3	Limits on system use that are important, but not critical for passage to production.

5.3.5 End User Documentation Approach

End user documentation shall be prepared per the main list of business processes. It may be expanded for some sections at the discretion of a Functional Group Leader or the Treasury Project Director.

The documentation will consist of an “End User Manual” (Attachment №7), including a text manual for working with screen forms and menus and graphic fragments of the respective screens, forms and menus. Additional technical guides and manuals shall also be prepared by SAP CIS team before final system acceptance.

5.3.6 Key Tasks at the Realization Phase

- Standard SAP training
- Customization of Standard SAP processes
- Development of Conversion Programs, User Exits, Report Forms, Interfaces, etc.
- Development of test cases (process/integration scenarios, system test cases)

- Baseline Configuration and Confirmation
- System Management
- Establish User Role and Authorization Concept
- Final Configuration and Confirmation
- Integration and other type of testing at the Central Treasury and in the Pilot Sites
- Localization of the system
- Preparation of the end user training materials
- Translation of training TIMS users materials and user guides into Azeri
- Quality Check at Realization Phase

5.4 Go Live Preparation

This phase includes the following tasks:

- End-user training preparation and implementation
- Specification of the system preparation plan for production startup and support of production operation
- Preparing the system for production startup
- Support group organization
- Reference information preparation and loading
- Quality check

The essential prerequisites for this stage are as follows:

- Project working group support from the functional departments side, i.e. provision of the requisite information for the main reference information on a timely basis
- Readiness of interfaces and data transfer rules
- This phase shall also include project quality external control

5.4.1 Prototype Readiness Protocol

Testing results are fixed in protocols. Prototype readiness is determined on the basis of the testing results; the prototype readiness protocol is signed by the project managers and area specialists and then approved by the Head of the Steering Committee.

5.4.2 Data Transfer Report

The data transfer report will be prepared on the basis of the results of batch transfer and/or manual data entry into the production system. The report will be signed by the functional area managers and the working team leader.

5.4.3 Go Live Order

The order is issued per the results of the Steering Committee meeting that confirms system readiness for commercial operation. The order is signed by the Steering Committee Leader.

5.4.4 Main Tasks at the Final Preparation Phase

- End user training
- Development of the Cutover Plan
- Initial data loading (migration)
- Parallel testing
- Technical testing of the production system environment:
 - volume testing
 - stress testing
 - etc.
- Organization of the Customer Competence Center
- Quality check at final preparation phase

5.5 Go Live and Production Support

At this phase the system will go live. This phase includes the following tasks:

- Preparation and transfer/loading of initial data
- Continuation of end user training
- Parallel testing
- Final turning of system performance

The essential prerequisites for this stage are as follows:

- The approval of the order to start system production operation
- Timely provision of opening balances by the functional departments
- End user readiness

The fifth phase shall eliminate on-the-fly all bottlenecks, errors and defects discovered during production operation. The task at the fifth phase is to stabilize the Treasury activity after production startup. In accordance with the Project Plan, a final project review shall be conducted on completion of the fifth phase. The Steering Committee and SAP representative will rule on the results and success of the Project.

The production startup period specified in the Project Plan is mandatory for the project team members from both the Treasury and SAP.

5.5.1 Project Completion Report

This report will be issued at completion of the project work. It will include analysis of the project results and comparison of the results with the project goals mentioned in the Project Charter.

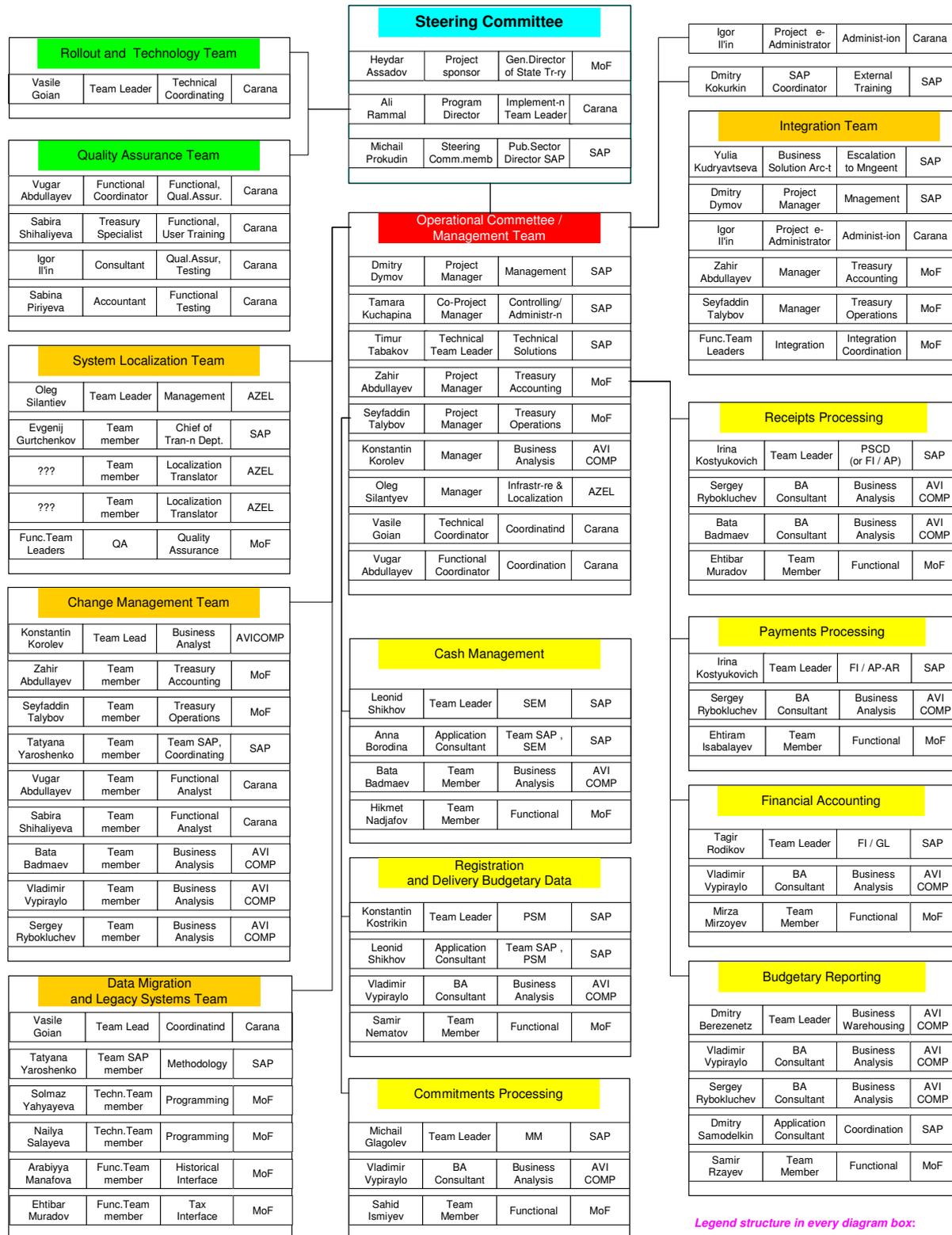
5.5.2 Key Tasks at Go Live and Production Support

- Remedies to any errors after parallel testing
- System performance optimization
- Recommendation for future expansion of functionality
- Advice on the improvement of Competence Center operations/services
- TIMS production support

6. Project Organization

6.1 Project Organizational Chart

Azerbaijan Treasury Project Organisation (TIMS)



Legend structure in every diagram box:
 1. Name. 2. Role. 3. Title/Area. 4. Company.

Diagram I, Azerbaijan Treasury Project Organization (TIMS).

TECHNICAL Team Organization Chart

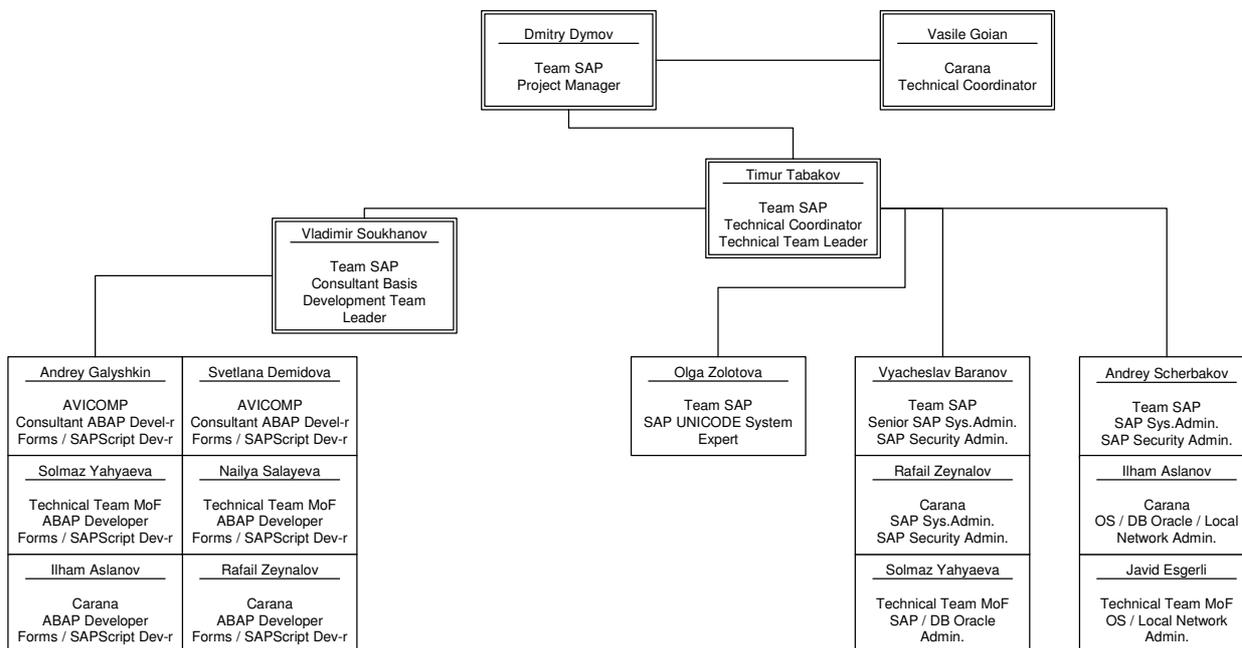


Diagram II, Technical Team Organization Chart (TIMS)

6.2 Project Roles and Responsibilities

Below are some standard roles and responsibilities specified in the ASAP methodology. However, the roles and responsibilities that shall apply to the TIMS Project are these that defined in Attachment H of the Subcontract between SAP CIS & Baltic States and CARANA Corporation. In other words, in case of any discrepancy or conflict, the terms of the Subcontract shall apply.

6.2.1 Steering Committee

The Treasury Steering Committee is responsible for the implementation of long-term goals and objectives. The Committee sets priorities, approves any required changes to the project scope and participates in dealing with issues that cannot be settled within the Project Team.

The Project Sponsor, CARANA Project Manager, and SAP C.I.S. Executive Management representative are members of the Steering Committee. The Committee is convened once a month on average.

The main tasks of the Steering Committee include:

- Allocation of resources for the project
- Progress control of the project
- Promotion of project solutions within the Treasury

6.2.2 Project Sponsor

Project Sponsor is responsible for the project as a whole. He possesses the authority for key decision-making, including:

- Setting priorities for project objectives

The Project Sponsor promotes the SAP project within the framework of the whole organization. Should any conflict arise when fulfilling this objective, the Sponsor is authorized to negotiate a specific solution with the Treasury management.

6.2.3 Operational Committee (Management Team)

The Operational Committee is responsible for the implementation of operative goals and objectives. The Committee sets priorities, approves any required changes to the project scope, and participates in dealing with issues that cannot be settled within the Project Workgroups. The Committee is convened once a week on average. The main tasks of the Operational Committee include:

- Management of Project resources
- Weekly status control of the project

6.2.4 TeamSAP Project Manager

The TeamSAP Project Manager supervises the Consultants and provides assistance to the Treasury Project Manager in managing the whole Project Team.

The duties of the TeamSAP Project Manager include project plan fulfillment support, settlement of current issues, management of project scope alterations, and timely formation of TeamSAP resources.

The scope of the Project Manager's tasks encompasses the following:

- Definition of the implementation strategy, development and implementation of project plans: working plan, resource plan, training plan, project budget plan, etc.
- Organization and coordination of consulting resources
- Support of SAP Accelerated Implementation strategy (ASAP)
- Support of Project Management and Treasury Project Team in mastering the AcceleratedSAP (ASAP) implementation Flow Chart
- Assistance in determining the project results and key dates (stages) of the project plan
- Recommendations on correction of the project scope
- Assistance in settling the current issues in his area of responsibility
- Participation in key project decision-making in his area of responsibility together with the customer's Project Leader
- Participation in the process of Treasury Project Team training.

6.2.5 Treasury Project Manager

The Treasury will assign a full-time Project Manager to the Project. The Treasury Project Manager must master all aspects of the Project and manages the Treasury's Project Team on a permanent basis.

The Project Manager is responsible for organizing interaction between the project groups and interaction between the Project Team and the Steering Committee in matters related to the current state of the Project.

The scope of the Project Manager tasks encompasses:

- Permanent management of Treasury resources
- Communication of project status information to the Steering Committee, Project Sponsor, Project Team and Quality Assurance Team in cooperation with the TeamSAP Project Manager
- Participation in project problem resolution.

6.2.6 Project Administrator

The Project Administrator supports the Project Managers, coordinates project meetings, and is responsible for the project documentation.

The scope of the Project Administrator's tasks encompasses:

- Designing the arrangement of the Project Office premises
- Planning and coordinating project meeting and seminar logistics
- Compiling and distributing meeting minutes
- Coordinating and managing the project documentation
- Daily tracking of project current issue statuses
- Monitoring of internal and external resource utilization.

6.2.7 SAP Coordinator

The SAP Coordinator coordinates contacts with SAP departments and provides methodological support for project task resolution.

Example:

External training SAP Coordinator

The training coordinator secures interaction between the Project Team and the SAP CIS training center for the purpose of organizing training in accordance with the project needs and training plan.

6.2.8 SAP Business Solution Architect

The SAP Business Solution Architect is responsible for the integration and QA of all SAP solution components and modules. This encompasses:

- QA of business process description
- QA of integration testing results
- Escalation of integration issues to Project Management level, etc.

6.2.9 Leader of the Treasury Working Group for Business Processes (Team Leader)

The responsibilities of the Leader of the Working Group include control of target setting for business processes and ensuring the efficient representation of Treasury business processes in the SAP software.

The leader coordinates a) the resolution of issues arising in connection with the description of Treasury business processes, b) system testing management, and c) ensures the timely receipt of information on Treasury business processes within the project scope.

The scope of Working Group Leader's tasks encompasses:

- Control of Treasury business processes descriptions and ensuring the efficient representation of business processes in the SAP software configuration
- Participation in settling organizational issues arising in connection with the Project Group activities
- Management of business process testing and integration testing within the group responsibility area
- Management of Project Group and end user training

6.2.10 Integration team

The integration group consists of:

- A SAP Business Solution Architect
- The leaders of the Treasury Working Group for Business Processes
- The Project Administrator
- The Treasury Project Manager
- The TeamSAP Project Manager

The tasks of the integration group include:

- Consistency check, agreement and approval of project blueprints and customizations created by the working groups
- Coordinating the business process working groups to ensure the delivery of an integrated solution.

6.2.11 Members of the Treasury Working Group for Business Processes

The members of Business Processes Group are responsible for detailed design and implementation within the Treasury business processes system.

The group members and the TeamSAP Consultants work together on business processes analysis, documentation of user requirements, designing and configuring the system, generation of reports, forms, interfaces, and system data input processes.

The Project Team members participate in the coordination of business processes and solutions with end users, promote project decisions within the Treasury, participate in the development of end user documentation, and participate in the training process.

The tasks of the Business Processes Working Group members include:

- Development of Conceptual Project documents describing the business processes
- Implementation and testing of business processes within the SAP system
- Elaboration of materials for training of end users
- User support after system implementation.

6.2.12 TeamSAP Application Consultant

The Application Consultant possesses specific knowledge in the field of SAP software.

The Consultant designs the technical implementation of Treasury business processes within the SAP system, configures the system, and communicates the configuration information to the leaders and members of the Project Team.

The Consultant performs the role of expert in the execution of the Project Team tasks and renders assistance to the Project Team members.

The scope of the Application Consultant's tasks encompasses:

- Participation in system design work aimed at representing the Treasury business processes in the SAP system
- Configuring the SAP software for replication of the designed business processes
- Training and communication of knowledge to other Project Team members
- SAP Consultants also can be assigned as Working Group Team Leaders.

6.2.13 Business Analysis Consultant

The Business Analysis Consultant together with the business processes Project Team members is responsible for the execution of detailed design work of Treasury business processes and their implementation within the system. The Business Analysis Consultant participates in designing reports, forms, interfaces and system data input processes, and participates in the elaboration of end user documentation and their subsequent training.

The Business Analysis Consultant configures the system in conjunction with the Application Consultants. The Consultant participates in system production startup and renders support to the end users.

6.2.14 System Localization Team Leader

The System Localization Team Leader:

- Manages the Technical Translation Team
- Assumes responsibility for the development of translation requirements and standards
- Determines the scope and sequence of localization data
- Participates in the development of a strategy for end user and system technical staff training with due regard to localization specifics
- Participates in planning the transition to productive operation.

6.2.15 System Localization Team Members

The Localization Team members are responsible for the technical translation of the system, design and technical documentation, and the training materials for end users and technical staff.

6.2.16 Change Management Team Leader

The Change Management Team Leader is responsible for organizational alignment to ensure smooth production system operation.

- Documents workflow changes
- Allocates authorizations
- Defines Treasury staff training requirements,
- Knowledge management, etc.

6.2.17 Change Management Team Members

The Change Management Team members are responsible for Change Management activities in their functional areas.

6.2.18 Data Migration and Legacy System Team Leader

The Data Migration and Legacy Systems Team Leader is responsible for coordinating activities connected with data migration from Legacy Systems.

6.2.19 Data Migration and Legacy System Team Members

The Data Migration and Legacy Systems Team Members are responsible for activities connected with data migration from specified Legacy Systems.

6.2.20 Technical Team Leader

The Technical Team Leader manages the Technical Team and is responsible for:

- Elaboration of technical requirements and SAP R/3 system architecture
- Elaboration of engineering standards for system implementation
- Installation of hardware, including SAP systems for development, quality control, end user training, and productive operation.

The Technical Team Leader participates in planning the transition to the productive SAP environment and planning of production startup.

6.2.21 SAP-System Administrator

The SAP-System Administrator is responsible for configuring, monitoring and adjustment of SAP-system technical equipment.

The Administrator is also responsible for:

- Management of SAP-System settings transfer (transportation)
- Control of SAP CCMS (Computer Center Management System)
- Installation and updating of SAP.

6.2.22 SAP-UNICODE System Expert

The SAP-Unicode System Expert is responsible for support of activities connected with UNICODE features of SAP systems.

6.2.23 SAP-System Security Administrator

The Security Administrator is responsible for the management of SAP-System protection components.

The Administrator develops procedures for end user administration and the generation and support of user group profiles.

6.2.24 Database Administrator

The Database Administrator is responsible for configuring and adjustment of the database, management of data archiving, and system recovery after failures.

6.2.25 Local Network Administrator

The Local Network Administrator from Customer staff is responsible for:

- Installation of the operating system and local network
- Updating of the system software and installation of patches
- Control of network efficient operation and tuning
- Support and administration of OSS (Online Service System)
- Administration of SAP-System client section and printing tools.

6.2.26 Operating System Administrator

The Operating System Administrator from Customer staff is responsible for:

- Installation, updating and maintenance of patches
- Backup management
- Efficient setup and protection of the operating system.

The Operating System Administrator participates in the administration of hardware and peripherals related to SAP-System operation.

6.2.27 System Developments Team Leader

The Developments Team Leader coordinates software development. The scope of his responsibilities encompasses:

- Establishment of development standards
- Identification and ranking of development requirements
- Reporting to the Project Management on developments progress.

6.2.28 ABAP-Developer

ABAP-Developer is responsible for designing, development and testing of:

- User screen forms
- Data transfer programs
- Interface programs
- Client reports
- SAP functionality expansion

in accordance with the system Blueprint.

6.2.29 SAP Script Language Form Developer

The SAP Script Language Form Developer is responsible for designing, developing and testing of SAP Script language programs for receipt of Treasury reporting forms in accordance with the Blueprint requirements.

7. Project Standards and Procedures

The terms and conditions specified in the Subcontract between SAP CIS & Baltic States and CARANA Corporation, signed on 12 April 2004, shall apply and precede any terms and conditions specified below. In other words, in case of any discrepancy or conflict, the terms of the Subcontract shall apply.

7.1 Project Flow Monitoring

Project managers monitor the project flow using the workbench set, ASAP methods and the project plan. The project current state is discussed weekly during project status discussions at Project Office working meetings.

7.2 Planning Project Works

The following procedures shall be performed for project planning and reporting:

- The general project work plan will be created in MS Project format by the Team SAP Project Manager in cooperation with the Management Team, and shall be validated by an order of the Steering Committee (Attachment №7)
- The project work plan for each project phase is prepared by the Team SAP Project Manager based on the project general work plan and corrections, if any, at the beginning of each project phase
- Each project phase work plan will be agreed with the Operating Committee and approved by the Steering Committee
- The phase work plan can be changed based on the monthly status reports. The Operating Committee shall approve changes
- The Team SAP Project manager prepares monthly work plans based on the phase work plan

- The team leaders prepare group monthly work plans based on the project monthly work plan (in the respective file copy)
- The respective file copy shall encompass the detailed tasks of the project monthly work plan, assignment of personnel resources to the tasks (the task responsible person is indicated at the top) and the description of the task fulfillment deliverables. Adding/deleting, changing wording, and changing the timeframe of the overall monthly task fulfillment plan is not permitted
- The Project Manager prepares the collective project work plan for the month and represents it to the Operating Committee for validation
- Based on the project work plan, the Team Leaders develop quarterly project work plans indicating the names of the consultants and their work time on the project
- The Team Leaders, in cooperation with the Project Manager, develop consultant work schedules on weekly basis
- The project team training plan is adjusted at the beginning of every project phase in accordance with the training needs and the initial training plan.

7.3 Monitoring of Project Work Current Status

- The SAP Team leaders will prepare weekly work group status reports every Friday for the past week. The weekly report will include detailed descriptions of every activity
- A list of tasks performed by every consultant, validated by the team leader or the Project Manager (or his deputy), will be included in the consultant's weekly work report
- The Project Manager prepares a collective project status report for the Operating Committee. A copy of the weekly status report is stored in a separate file and is sent to the Project team members
- The Operating Committee revises the weekly status report and, if necessary, makes decisions on backlog and postponed tasks and suggests changes to the monthly work plan
- The team leaders fill out written monthly reports (by the 27th day of every month); the reports are adjusted with the Treasury Manager of the respective area and validated by the Operating Committee (Attachment 11)
- The SAP Project Manager prepares monthly status reports based on the team leader reports and submits them to the first Operating Committee meeting following the reporting month
- The Project Manager submits monthly status reports to the Operating Committee, and, if necessary, suggests changing the project work plan for the phase
- The SAP Project Manager prepares quarterly status reports based on the monthly status reports and submits them to CARANA Corporation on the first month following the reporting quarter

7.4 Preparation and conduct of project status meetings

The Project Office working meetings are conducted every Wednesday.

In the absence of the TeamSAP Project Manager, the meeting shall be conducted by his deputy from TeamSAP. The standard agenda includes:

- Discussion of tasks affecting the project
- Adjustment of the project working plan status
- Coordination of functional team member activities
- Concentration of the group's attention on the project goals
- Defining tasks to be carried out the following week
- Discussion of project decisions (as required)
- Discussion of urgent problems

Working meetings shall involve:

- Project managers from the Treasury and from SAP
- Functional team leaders (including development, system administration, localization and change groups)
- The Project Administrator

Members of functional teams and Treasury key users (business process owners) may attend the working meeting if necessary. This will depend on the issues concerned.

The Project Manager will prepare and sign meeting minutes.

Based on the meeting results, the Project Manager will prepare a list of problems to be discussed by the Operating Committee and propose issues to be discussed at the next meeting of the Operating Committee.

The team leaders will inform the Project Office staff of the working meeting results.

The Project Administrator will e-mail the working meeting minutes to the Team Leaders and Project Office managers, and archive the minutes in the respective folders on the server and in the database.

7.5 Information gathering

The Treasury personnel will provide all necessary information for the Project. The Project Office staff will interview the Treasury personnel. The date and time of each interview shall be agreed with the interviewee. The Treasury's Project Manager shall be responsible for managing interviews and obtaining the required information.

7.6 Interviews and Working Meetings

Interviews and working meetings with the Treasury's key and/or responsible users are of paramount importance for obtaining the required information.

The Treasury's Project Manager is responsible for managing interviews and working meetings.

The Project Office staff shall prepare a list of questions to interviewees to provide effective interviewing.

The interviewer(s) shall report on the interview results, and the report shall be signed by the interviewer and the interviewee. The report will also state when interviewees are unable to answer a questions.

The working group leaders will be able to organize working meeting to discuss and/or demonstrate project solutions (with Project Office workers and users). To that end, they will send a query to the Project Manager substantiating the need to conduct such a meeting together with all prepared materials. The Project Manager or the Steering Committee will decide whether the meeting is needed. Joint working meetings shall be documented via minutes to be signed by all present. The working group leaders are responsible for preparing the joint working meeting minutes (Attachment №9).

7.7 Preparation and agreement of Project Blueprints

This procedure consists of the following steps:

- The Project Blueprint is developed by the Project Team members. It must be agreed with the Team Leader from the Treasury and SAP. The Project Blueprint is delivered to the Project Manager, who delivers it onwards to the integration group and allocates the "delivered to integration group" status using a special form (Attachment №10).
- The integration group leader checks, validates and approves the document or returns it to the author with remarks. The Project Administrator registers the new status of the Project Blueprint (status may be "coordinated by integration group Team Leader" or "returned by integration group Team Leader for overpatching").
- The Project Administrator prepares a covering letter for the purposes of agreeing the Project Blueprint. The Project Manager agrees the Project Blueprint, signs a covering letter and returns it to the Project Administrator or returns the documents to the working group for overpatching. The Project Administrator registers the new status of the Project Blueprint (status may be "coordinated by Project Manager" or "returned by Project Manager for overpatching").

- Within two days following the return of the documents with remarks, the leader of the Treasury business processes working group must coordinate the documents or introduce comments and requirements for changes. The Project Administrator registers the new status of the Project Blueprint (status may be “coordinated with leader of the Treasury business processes working group” or “returned to leader of the Treasury business processes working group for overpatching”).
- If no response is received from the person responsible for the business scenario within the defined period of time, the Project Administrator informs the Project Manager, who takes measures to speed up the co-ordination process and examines the reasons for the delay at the Operating Committee meeting.
- All project solutions agreed upon by responsible users are considered and approved at the Operating Committee meeting.
- When the project solution has been approved by the Operating Committee, all the documents are sent to the Project Administrator. The Administrator undertakes to familiarize the Steering Committee with the project solutions to enable the Steering Committee to approve the documents at the next Steering Committee meeting.
- Within three days of receipt of the project solutions, the Steering Committee members submit their remarks to the Project Administrator at the Project Office.
- The Project Manager sends the project solution for overpatching. The Project Administrator registers the new status of the project solution “sent for overpatching per the remarks of the Steering Committee members”.
- All solutions agreed upon with the Steering Committee members are considered and approved at the Steering Committee meeting.
- The Project Administrator registers the status of the project solution in the appropriate form as “adopted by the Operating Committee”, “sent for repatching by the Operating Committee”, “approved by the Steering Committee” or “sent for repatching by the Steering Committee”.

7.8 System Setting Coordination and Control Procedure

The team leaders form setting plans in the system.

The integration group then defines similar settings and works out naming conventions and numbering rules, which are handed over to the project teams.

The team leaders control setting consistency in respective system modules and their conformity with the agreements.

The people responsible for business scenarios control setting consistency within the respective scenario.

The final setting check is performed by the integration group by testing business process chains based on prepared grouped data and scenario tests.

7.9 Project Status Reporting

A reporting and project status information system shall be created to supervise work progress and distribute reporting as the basis for evaluating functional team activities and the Project as a whole.

This section describes reporting procedures, namely:

- Weekly reporting by the functional teams
- Steering Committee reporting

Weekly Reporting in Functional teams

A weekly status report:

- Shall be prepared by the functional team leader based on the actual plan run. The report shall be prepared in the specified format per the template indicated in (Attachment №11);
- Weekly reports shall be sent to the Project Manager;
- The Project Administrator shall places files with functional team reports in the respective catalog on the file server.

The Weekly Report on Work Plan Progress Status

- Is prepared by the Project Manager based on information received from the functional team leaders. The Administrator submits his report in electronic or text format to the Project Managers by 5 p.m. on the working day preceding the weekly Project Office meeting.
- The functional team leader evaluates progress in all work areas, substantiates the reasons for any work backlog or problem, and proposes remedial measures.
- The Project Manager prepares a consolidated project work plan in MS Project format, including weekly work status, by 5 p.m. on the working day preceding the Project Office working meeting.

The consolidate project plan with actual work status is stored in MS Project format in the appropriate catalog of the file server.

The Monthly Report for the Treasury Project Manager

The monthly report for the Project Manager contains information on the project progress.

It includes the following generalized information from weekly reports of the functional team leaders:

- Project progress and changes in scope, content and project tasks
- Information on project implementation problems.

This report helps the Project Managers identify project problems, redistribute resources and follow indicated working periods.

If necessary, Project Managers are informed of the status of project critical tasks. In this case, the report includes critical task solution schedules with actual run state, responsible persons and possible candidate solutions. The report also may include meeting minutes, presentations and other information materials as attachments.

The Project Manager is responsible for the preparation and submission of monthly reports.

Steering Committee Reporting

The Project Status Report for the Steering Committee is confirmed at the Project Office meeting. The report includes:

- Overall assessment of the project status, project deliverables progress
- Suggested business process changes to be reviewed and submitted for confirmation to the appropriate Treasury departments
- Project Blueprint solutions to be approved by the Steering Committee
- Key project problems and solutions.

If required:

- Suggested changes to the project work plan – for confirmation
- Suggestions for major project organizational changes – to be presented to the Project Management Team for validation.

The TeamSAP Project manager is responsible for preparing reports to the Steering Committee.

Reporting materials shall be submitted to Steering Committee members not later than two calendar days before the Steering Committee meeting.

Quarterly Performance Reports

These reports will enable CARANA Corporation to add written comments within five working days to SAP CIS & BALTIC STATES' version of events concerning the Contractor's management, technical performance and progress in achieving the benchmarks and tangible results. The TeamSAP Project Manager is responsible for the submission of this report.

Completion Report

At the end of the Contract, SAP CIS & BALTIC STATES shall prepare a completion report highlighting accomplishments against work plans, presenting the final status of Benchmarks and Tangible Results, addressing lessons learned during implementation, and suggesting ways of resolving any remaining constraints identified and agreed to by CARANA and the MOF.

7.10 Project Document System

The project document system includes the key documents mentioned above and other protocols and papers that are important for making decisions and reflecting the information system developing status. The main criterion for document selection is to ensure complete information on the customization of the information system. In other words, the project documentation shall be sufficient to enable specialists who have not worked with the system to understand its operation principles to the level needed to support operation.

The document system has the following main components:

- The system Business Blueprint
- A full description of system customization
- System modification protocols
- Descriptions of programs, interfaces, extensions and enhancements created in the course of the project.

For the project documents list, see Attachment №12. If required, the list may be enhanced.

Project Office documents circulation

The Project Administrator manages the circulation of Project Office documents.

- The Project Manager distributes documents to responsible persons
- The Project Administrator registers incoming document with indication of the responsible person(s)
- Project Administrator places copies of outgoing documents into special folders.

Maintaining Electronic Folders

- The Project Administrator develops the structure of the project electronic folders and access right scheme and submits them to the Project Managers for validation. All suggestions concerning changes to the structure and scheme are coordinated with the Project Managers
- The Project Office staff have access to the respective folders per the agreed access right scheme
- The electronic working folders are structured per the project phases and groups. The respective group leaders are responsible for maintaining these folders. They supervise compliance with file naming conventions, timely backup of old electronic versions, etc.
- The Project Manager has control over the electronic folder for the project solutions and updates it with the appropriate project documents
- The Project Managers have structural control over the electronic folder containing decisions of project working bodies (Steering Committee, working meetings); the Project Administrator places all requisite documents in this folder
- The electronic folder with project management documents is maintained by the Project Managers and Administrator; this includes working with plans, status and reports, and submitting project standards/templates and open questions.

General procedure for document creation and storage

- For all types of project documents created within the functional sub-projects, a document creation guide and a design template shall be developed. The guide and the template shall be developed by the person responsible for the document as specified in Attachment 12
- The project documents are created by a sub-project employee and stored in electronic format in the folder Project TIMS/<Subproject Name>/Working Documents/...



- Access rights for changing the electronic documents in the folder Project TIMS/<Subproject Name>/Working Documents/... will be granted to the employees of the corresponding sub-project
- The document draft is moved to the folder Project TIMS/<Subproject Name>/Document Drafts/... by the Sub-project Manager or his deputy for review and approval. The electronic copy of the document is stored in this folder until the approval of its original hardcopy
- All document drafts shall be electronically sent to SAP consultants for review and approval via the Project Administrator
- Access rights for changing the electronic documents in the folder Project TIMS/<Subproject Name>/Document Drafts/... shall be granted to the subproject managers and their deputies, and the Project Office employees
- Each document prepared by a project team employee must be agreed with a SAP consultant in a approval list
- The approved original hardcopy of the document shall be passed to the Project Administrator for storage
- A hardcopy of all approved project normative documents shall be passed to the SAP Project Manager
- Using the approved original hardcopy as a basis, the Project Administrator
 - places the electronic document in the folder Project TIMS/<Subproject Name>/Approved Documents/...;
 - removes the electronic document version from the folder Project TIMS/<Subproject Name>/Document Drafts/...
- Access rights for changing the electronic documents in the folder Project TIMS/<Subproject Name>/Approved Documents/... shall be granted to the Project Administrator
- The original hardcopies are stored in the folder "Normative Documents" or "Project Documentation"
- Changes to documents shall be made by the person who drafted it, and the document shall then be presented for review and approval again
- A change to document is understood as any modification, exclusion or addition of any data without changes to the description and name of the project
- Any approved document containing any changes after its approval –, which was adjusting between SAP CIS and Carana Corp.,– should be together with Table of Changes
- The previous editions of the document are not taken into consideration.

7.11 Working Language of the Project

One of the key factors for the success of the Project is efficient communication and quick decision-making. One of the features of this project is that the project team speaks several languages. Thus, project language selection is one of the key elements. The Project communication language shall be the language in which considerable part of the project team and people participating in the Project are speaking. From this point of view, the most appropriate language is Russian. Therefore, all working and outgoing project documents will be initially prepared in Russian and after validation translated into English and Azeri per the Subcontract requirements.

To facilitate the project information exchange it will be possible (upon preliminary project parties agreement) to translate only significant sections of project documents. Auxiliary information could be excluded from translation.

7.12 Approval Procedure for TIMS Deliverables

Each assigned workgroup will initially agree on the specific project deliverables. The resulting integrated deliverables shall be approved by CARANA Corporation. The deliverables can be submitted to CARANA Corporation by SAP partially after internal agreement within each assigned workgroup. If no comments are forthcoming from the approver within mutually specified term, the deliverables are deemed approved.

7.13 Approval Procedure for TIMS Deliverables within TeamSAP

The following preliminary approval procedures are suggested for SAP CIS as the main contractor and AVICOMP Services and AZEL as second-tier contractors:

- Second-tier contractor deliverables will be transferred for approval to SAP CIS. The Deliverable Transition Protocol will be filled out and signed by SAP CIS and the second-tier contractor along with the transition procedure. A reasonable time period will be suggested, and agreed to with a reviewer, for the review of each deliverable after which are deemed to be approved if no written comments or rejection notice with explanations are received within the approval period.
- SAP CIS approval is suggested for internal Team SAP QA purposes only; there is no intention to substitute SAP CIS approval for the customer's formal approval procedures.

8. Main Principles of Project Implementation

8.1 Project Scope Management

The project scope is defined in Attachment A (SOW) of the Subcontract and in the "The Project Scope" clause of this document and will be represented in more detailed in the Business Blueprint on completion of the second phase of the project. Any requirements beyond the bounds of this scope that could be hazardous for project implementation shall be submitted to the Steering Committee for decision-making purposes.

The Business Blueprint reflects the key validated Project decisions. It is very important not to change the Treasury organizational structure and business processes during project implementation. Any activities that result in changing decisions and that negatively impact the project implementation shall be discussed at the Steering Committee meeting.

That said, the project run may result in the necessity to change the project scope or validated decisions. Any changes shall be settled using the project change control procedure. These procedures are meant to minimize the impact of these changes on project decisions and schedule.

A change request must be submitted for all and any changes in the project. The Project Managers will examine each request in the light of its impact on the project scope and schedule. If changes are beyond the bounds of the project scope or affect already performed work, then the cost changes will be defined. The Project Managers will submit the results of their consideration to the Steering Committee.

The Steering Committee will confirm or reject the decision. Decision confirmation means confirmation of respective resource assignment and/or changes to the project date.

When making decisions involving the restructuring of the Treasury or its existing business processes, the Treasury management will take into consideration the impact of such decisions on the implementation project.

8.2 Open Issues Management

Managing open issues is a key function of the Project Manager and crucial to the success of the project. Issues shall be resolved at the phase in which they arise before the transition to the next phase.

Problems that result in issues are usually divided into three types:

- Those that have not been considered in advance
- Ordinary tasks that cannot be performed in the system
- New external and internal factors that must be overcome.

The Project Managers shall regularly check the status of outstanding issues and assess the course of their resolution.

The outstanding issues management procedure is outlined below.

8.2.1 Problem Definition

Any Project Office worker with an unanswered question fills in an Opened Question Form and hands it over to the Project Administrator.

8.2.2 Registration

The Project Administrator records every outstanding question in the Outstanding Questions Log (Attachment №13). There shall be one Log for all project participants.

8.2.3 Selection

Every day the Treasury and SAP Project Managers shall analyze the Outstanding Questions Log and choose for every new question one of the following:

- **To accept**, if the decision would affect the project run
- **To delay**, if the question is connected with other question(s) that haven't been solved yet
- **To reject**, if the question is not of concern for the project.

They register their decision in the Outstanding Questions Log.

8.2.4 Selection of Priority

The Treasury and SAP Project managers shall assign priority to the question depending on its influence on all other questions or dates:

- **High**, if the question decision considerably affects the phase and/or the whole project finishing date
- **Medium**, if there is a possibility that it could affect the phase completion date
- **Low**, if there is no impact.

And register their decision in the Outstanding Questions Log.

8.2.5 Definition of Category

The Treasury and SAP Project managers shall define the category of question:

- Questions concerning software errors
- Questions concerning the system customizing (configuring)
- Questions concerning business processes
- Questions concerning resources

And register their decision in the Outstanding Questions Log.

8.2.6 Question Examination and Solution

The Treasury and SAP project managers shall instruct one or more Project Office staff to resolve the question, depending on the question category and priority. The instruction is registered in the Outstanding Questions Log. All Project Office staff shall check the Outstanding Questions Log and immediately examine and settle the questions allocated to them. The solution is either entered into the Log, or a reference is made in the Log to the document describing the solution.

8.2.7 Monitoring

The project administrator shall monitor the status and resolution of all questions. If a question has not been settled within the specified period, the Project Administrator shall establish the reasons for the delay and notify the Project Manager. Possible actions of the Project manager include:

- Changing or increasing the group responsible for resolving the question
- Settling the question with the Project Sponsor
- Handing the question over to the Steering Committee for resolution.

8.2.8 Question Closure

The Project Administrator assigns "Closed" status to questions that have been resolved once the solution has been entered into the Log or a separate document.

8.3 *Project Complexity Management*

Wherever possible, the SAP system will be implemented avoiding unnecessary complexity. This means use of the SAP R/3 standard solution and the limitation of ABAP/4 development and system modification. All project team members shall do their best to ensure the simplest possible project implementation, without prejudicing the project requirements.

8.4 Project Risk Management

Any project of such scope and nature is exposed to risks. Risk management is an important factor for successful project completion. Below are described the potential risks and the management strategy that will be used to minimize risk exposure.

User Conservatism and New System Aversion. The Treasury employees who will work in the SAP system shall be involved in the Project. They shall be made aware of the advantages of the system in order to ensure their loyalty following the future changes in their work.

Complexity of System Operation. Business support during system exploitation must be as simple as possible. This will be ensured thanks to the implementation of system standard solutions. Special analysis will be performed at the initial phases to help simply and resolve problems stemming from gaps in the SAP standard function set.

Multiplication of business types. The Treasury departments will cooperate with the Project Office in order to achieve a unified solution based on the SAP standard. They will also be ready to cope with possible business process changes. The Treasury management shall understand that the implementation of a large number of solutions will extend the scope of the implementation project and therefore result in inefficient use of time and other resources.

Interfaces with MoF legacy systems. A delay in the development of interfaces between SAP and external systems is a potential risk for the Project. High priority will be assigned to developing interfaces in order to minimize risk. This will help the allocation of appropriate resources and completion of development before integration testing.

Lack of project implementation methodology knowledge. The project will be implemented using the Accelerated SAP methodology. The project and functional team managers shall complete the appropriate training. One of the main functions of the SAP Project Managers shall be to supervise adherence to the methodology during system implementation.

Negligence of the Steering Committee. The Project Steering Committee is created for accurate and timely decision-making. The Steering Committee must display a commitment to system implementation. The Steering Committee shall supervise the project on an ongoing basis and obtain support for the project from the Treasury staff.

Loss of Project knowledge. When distributing roles between Project Office members, managers shall ensure responsibility zone crossover in order to avoid unnecessary knowledge concentration. A coherent information environment will be created to ensure knowledge exchange within the Project Office: all members of project groups will work in one room if possible, they will take part in discussion on project decisions and problems, and improve their knowledge in adjacent areas. Access to SAP courses for all project members also mitigates this risk.

Changing the Treasury structure and/or work methods. When making decisions on changes in the Treasury, managers will consider their influence on resource capacity and project dates.

Lack of resources. The project management will provide sufficient manpower for successful project fulfillment within the specified timeframe.

Table IV, Risks and its Mitigations

Risk	Mitigation
User conservatism and new system aversion.	involvement of TIMS end users in the implementation process
Complexity of system operation	Implementation of SAP standard functionality for TIMS solution. Detailed GAP analysis at Project Blueprint Phase
Multiplication of business types	Development the standard methodology for Treasury business processes
Failure of interfaces to MoF legacy systems	Assignment the high priority for interface development at Project Realization Phase
Lack of project implementation methodology knowledge	Training in ASAP methodology at external trainings and on-site
Lack of attention of the Steering Committee	Conducting sessions of SC on regular monthly basis
Loss of project knowledge	Setting up common workspace for the Project Office. Development of training plan tailored to MoF and CARANA project team knowledge profile
Changing the Treasury structure and/or work methods	The MoF management should take into account the possible impact of their decisions on the TIMS project
Lack of resources from MoF	MoF shall provide resources for TIMS project in timely and responsive manner

8.5 Change Management

Change management shall be considered as an integral part of the information system implementation project and shall be integrated into the project management process. Change management during information system implementation shall solve three strategic problems.

- Minimizing risks related to implementation potentially existing during implementation of any systematic changes initiative
- Speeding up the system implementation process
- Ensuring adjustment (coordination, compatibility) of the system and organization to ensure that the organization that engaged SAP will obtain exclusive return on its investment in the information supplied by SAP.

Changes encompass:

- Changes to the functional project scope
- Changes to the organizational project scope
- Changes to the project plan
- Changes to the project charter
- Changes to the project resource plan
- Changes to the approved Project Blueprint
- Changes to the “System Landscape” document

- Changes to the resource project scope
- Changes to the normative documents
- Changes in the Project Team members
- Changes to business process owners and key users persons
- Changes to the extent of utilization by business process owners and key users.

Changes procedures:

- Every blueprint change must be registered like a new version by being documented, coordinated and approved. New document editions must contain a complete description of the new blueprint
- Changes can be initiated by the Steering Committee and project team members only
- The Steering Committee makes decisions on changes, and documents them using a special form and approves them
- Within two days following the completion of the approval procedure, the Project Administrator distributes the document to the project team members
- The reject Administrator registers all change requests in a special journal and network file.

8.6 Quality Assurance

8.6.1 Goals of Internal Quality Assurance

The main goal of Internal QA is to improve the quality of the TIMS SAP solution through analysis of the performed project activities. QA consists of analysis of Business Blueprint documents in order a) to check their conformity with the customer's requirements and implementation methodology principles, b) to ensure the integrity and completeness of the realized model, c) to evaluate the conformity of the project documentation with the implementation methodology standards, d) to assess observance of approved procedures, and e) to highlight problems and work out recommendations for their rectification.

The documentation submitted by the project participants for internal quality control purposes is divided into two groups:

Documents regulating the project run, namely:

- The Subcontract, attachments to the Subcontract (excluding bilateral agreement)
- The Project Charter
- The Project Plan.

Documents subject to QA control:

- Report on previous quality control results
- Report on the current project status
- Project documentation
- Business Blueprint
- List of processes that cannot be covered by the system standard functionality, implementation of which is essential for the customer
- Testing scenarios
- Test protocols
- Open issue list
- Enquiries to change project limits and other procedures.

8.6.2 Key Steps of the Internal Quality Control Procedure

These are: definition of the control scope and direction, working out the action plan, resolution of all organizational issues regarding the preparations for the quality control procedure.

Meetings are held with the project management to obtain information on the project current status and problems arising during the course of work. The quality control group obtains all requisite information at this meeting for further analysis of the project documentation.

The project documentation is analyzed and the project participants are interviewed (Project Office, customer representatives, consultants). The following aspects are emphasized during document analysis:

- Compliance of paper work with project standards
- Compliance of developed business processes with the customer's requirements
- Clear and full reflection of business process integration points
- Strict differentiation of business functions between structural departments of the Treasury and reflection of document circulation between them (both original ones and system/electronic) in charts
- Business processes and business functions not covered by the system standard functionality
- Observance of the project documentation creation and confirmation dates.

Analysis of current project management plans, task status, resource efficiency.

- Analysis of existing procedures
- Analysis of changes introduced to various project areas (changes to the project limits, standards, attraction of extra resources)
- Analysis of the project document flow (incoming/outgoing correspondence registration, etc.)
- Analysis of internal project organization and processes (regularity of meetings and record-keeping by the project group and group leaders to discuss work current status, open questions, joint solutions to problem and detailed planning of functional team works)
- Analysis of procedures involving the formulation, description and monitoring of problems arising in the course of the project (list of open problems with indication of status, responsible persons and dates).

All recommendations and conclusions worked out in the course of work quality control are documented as a survey report.

8.6.3 Results of Internal Quality Assurance

Internal quality control will result in a report containing an overview of the project, an assessment of the project works in accordance with the Customer's requirements and the implementation methodology, and an assessment of the integrity and completeness of the implemented model. The report shall also cover:

- Assessment of integration completeness
- A list of open questions
- Assessment of project methodology realization
- Assessment of resource utilization
- A list of main obstacles to the implementation process
- Recommendations for the resolution of the identified problems and the continuation of the project.

8.7 Configuration Management

Configuration management shall support the permanent precise monitoring of project deliverables. Configuration management includes:

- The creation of a well structured directory for the common project team file server containing work results. The Project Administrator shall maintain a description of the current directory structure in the Directory_Structure.doc file, located in the root of the project working directory.
- The storage of a sole version of every project output document in the special directory. This directory shall be named Deliverables and shall be stored on the project documentation server.

The person responsible for the document will perform document versioning. The same person shall record the event, reason for, and summary of document changes in the change log located in the Archive directory.

The current and main document versions are copied to the Archive sub-directory of the main directory, and the change date (the current date) is added to the file name.

8.8 Standard Management

The purpose of project standard management is to optimize project communications. Therefore, the document templates listed in the Attachment to this Charter may be changed (reduced/enlarged) by the Project Management to meet urgent project needs.

The change methodology is defined in the change management procedures.

9. Training of Project Team Members

This section describes the basic approach to project team member and end user training.

9.1 Impact of Training on General Results of Project

Training is a key factor for the outcome of the Project for the following reasons:

- Developers and users must view their tasks in the same perspective and use the same terminology and concepts
- Task and system setting shall be carried out using one methodology by all project participants. In this regard, it is necessary that all users participating in the design and implementation processes have the requisite knowledge of SAP solutions and understand the basics of the implementation methodology.
- Key factors that could lead to the onset of undesired events are those related to the attitude of future users to participation in project implementation and to working with the new system. Examples of such factors are:
 - Untimely provision of information
 - Absence of common understanding between the developers and the enterprise management, etc.

Training is one way to reduce the risk of opposition by Treasury human resources to the implementation of the new system.

End user training in good time is one of the most important prerequisites for successful productive operation of the new system.

9.2 Approach to Training Organization

The following training organization principles shall be taken into consideration when preparing the training plan:

- SAP R/3 administrator and developer training shall be conducted at all project phases and coordinated with the design and system implementation schedule. Training shall be conducted by SAP AG or by the partners per the agreed training plan
- The employees who will conduct training and support users after system implementation must be assigned before end user training, depending on the training schedule and end user numbers (the Competence Center is recommended to fulfill these functions). Developers and consultants should be assigned for this work, and a person responsible for training should be assigned to every sub-division where SAP R/3 is installed
- End user training shall be conducted using the customized system on user work stations by Treasury employees with the participation of consultants
- Training should not be limited to SAP R/3 system training alone; it should also encompass training in up-to-date HR management methods, new work procedures, etc.

9.3 Training Coordination and Monitoring

- The Project Manager shall coordinate and monitor the training of all specialists.
- One person should be assigned responsibility for the preparation, organization and conduct of training of the project team members and end users and the creation of user documentation for all functional areas. This employee shall be the main contact for all training issues. He shall be responsible for coordinating the activities of SAP implementation team members in the area of training materials and documentation preparation, for achievement of training goals, for planning training and end user documentation development, for creating draft output documents, and for developing and organizing training curricula.
- In order to ensure the technical accuracy of all training materials, the person responsible for training and documentation shall closely cooperate with the business processes managers from the implementation teams.

9.4 Training Requirements for Different Groups of Treasury Users

Table IV, Training Programs specified to User Groups for TIMS

User group	Training program
System administrators	<ul style="list-style-type: none"> • Complete SAP R/3 administration training course • Computer and network hardware, operational system, DBMS training course
Developers: programmers and analysts	<ul style="list-style-type: none"> • The corresponding functional area course • ABAP programming course: for programmers • Implementation methodology course is desirable
Unit managers, deputy managers, chief Treasury specialists	<ul style="list-style-type: none"> • System overview courses • The corresponding functional area overview courses • Courses and presentations of modern managerial practice: according to the functional area • Implementation methodology presentation is desirable • Self-study of the system online documentation
Specialists in the areas of human resources, finance, purchasing, sales, accounting	<ul style="list-style-type: none"> • System overview courses • The corresponding functional area overview courses • Courses and presentations of modern managerial

User group	Training program
	practice: according to the functional area <ul style="list-style-type: none"> • Implementation methodology presentation is desirable • Self-study of the system online documentation
End users	<ul style="list-style-type: none"> • System overview course (will developed during 3-rd Phase) • The corresponding functional area overview courses are desirable • End user courses (will developed during 3-rd Phase) • Depending of experience and qualification of the user it might be advisable to provide him with general computer skills or MS Office training, or, on the contrary, a more thorough study of SAP R/3 • Self-study of the system online documentation
Treasury senior management	<ul style="list-style-type: none"> • System presentations • Presentations, lectures, training courses on the implementation methodology • Presentations, lectures, training courses on modern enterprise resources planning, financial management, business processes reorganization methodology • Self-study of the system online documentation

9.5 Training Strategy for Project Team and TIMS End Users

The ASAP Methodology recommends training of project members on the job while accomplishing project task and via collaboration with Team SAP Consultants. This approach enables the customer project team to be prepared for production system support without external consulting involvement.

One of the main project goals is to ensure that end users can be trained both for the Pilot Project and Solution Rollout to regional RTs by the customer and Treasury project team members without external consulting involvement.

10. Attachments

10.1 SAP Customization Document

Business Process Procedure Overview
<p>Status management is used to control business transactions in Funds Management by allocating one or more statuses to a master data object (funds center, commitment item, fund). The business transactions in the funds management system include G/L account postings and material purchase orders. A status can permit or block a commercial transaction or have no effect on it. For a business transaction to be executable, the following prerequisites must be met:</p> <ul style="list-style-type: none"> - at least one status permits the transaction - no active status blocks the transaction <p>There are three predefined system statuses which affect whether particular business transactions may be carried out. The statuses are "created," "released," and "closed."</p> <p>The following transaction allows the user to display the status for an FM object.</p>

Input – Required Fields	Field Value/Comments
FM Area Funds Center Commitment Item	Funds Management Area
Fiscal Year	Fiscal Year – year for which the status was defined

Output – Results	Comments
	Display of current status and business transactions allowed

Tips and Tricks:

Procedural Steps

1.1. Access transaction by:

Via Menus	Accounting / Financial accounting / Funds management / Master data / Status management / Display
Via Transaction Code	FMSS

1.2. On screen “Display Status: Initial Screen” enter information in the fields as specified in the table below:

<<< Screen print goes here >>>

Field Name	Description	R/O/C	User Action and Values	Comments
FM Area	4 char field to enter proper FM area	R	Enter the FM area	
Funds Center	10 char description to enter Funds Center	R	Enter funds center or *	
Commitment Item	10 char description to enter commitment item	R	Enter commitment item or *	
Fund	10 char field to enter proper Fund	O	Enter fund or *	
Fiscal Year	4 char field representing the fiscal year	R	Enter fiscal year	
			Select F5	Alternative, click on details button

<<< Screen print goes here >>>

10.2 Request for change

Request No. _____

Request for Change Form

Requested by:		Date:	
Department (Service):			
Project:	Implementation of SAP ERP system in the bank		

Area involved

Business Areas: Financial Accounting Controlling Logistics Maintenance

Change Priority: Critical Important Desired

Description of Proposed Change

Benefits/Reasoning for Change

Filled by project manager

Influence Analysis

Person Responsible:
Comments

Approval for Implementation

Decision:	<input type="checkbox"/> Closed	<input type="checkbox"/> Deferred	<input type="checkbox"/> Rejected	<input type="checkbox"/> Accepted	Date
					:
Manager					

10.3 Functional Specification

FUNCTIONAL SPECIFICATION FOR THE ADDITIONAL DEVELOPMENT OF ENHANCEMENTS	
Section 1: Reasoning	
Functional Group:	
Functional Group Specialist Responsible:	
Business Process:	Business process description
Name:	
Brief Description:	
Reasoning:	
Program Type:	<input type="checkbox"/> Extension <input type="checkbox"/> Dialog program <input type="checkbox"/> Modification <input type="checkbox"/> Others
<u>General Information:</u>	
What happens if no program is created:	<input type="checkbox"/> Existing requirements can't be met <input type="checkbox"/> Lack of information required for business <input type="checkbox"/> Lost of the functionality existing in the legacy system <input type="checkbox"/> Others: _____
Does any alternative exist?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Alternative characteristic:	
Problems arising when using alternative:	<input type="checkbox"/> Execution quality <input type="checkbox"/> Complexity <input type="checkbox"/> Duration <input type="checkbox"/> Other: _____
Rejection of main option in favor of alternative option:	<input type="checkbox"/> Possible <input type="checkbox"/> Undesirable <input type="checkbox"/> In case of urgency _____ _____ _____
Whether the other alternatives are possible:	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section 2: Detailed Functional Description

Design of suggested Screens and Menus:

	Name	Date	Signature
Approved by Project Manager			
Approved by <User Responsible>			
Agreed by Assistant Project Manager			
Assistant IT Project Manager			
Checked by <Functional Subproject Manager>			
Developed by Subproject Specialist			

10.4 SAP Settings test Protocol

Settings Test Report			
Functional Specification:		Subproject:	
Test Object Name:		Test Date:	_ / _ / _
(filled out by the user responsible)			
Does the program comply with the functional specification? If no, specify variances.			() Yes () No
Variances, improving the functionality:			

Variances, worsening functionality:			

Suggestions and remarks:			

Suggestions and remarks after the repeat testing (if necessary):			

(filled out by the configuration specialist)			
Specify the problem solution (if necessary):			

New Test Date: _ / _ / _			

	Name	Date	Signature
Approved by Project Manager			
Agreed by Responsible User			
Developer			



10.5 SAP Customer Development testing Protocol

SAP Customer Development testing Protocol			
Functional Specification:		Subproject:	
Name of testing object:		Test date:	__/__/__
(Filled out by responsible user)			
Is the program in accordance with the functional specification?			() Yes () No
Improvements:			
<hr/> <hr/>			
Lack of functionalities:			
<hr/> <hr/>			
Remarks and comments:			
<hr/> <hr/>			
Remarks and notes after 2 nd testing (if necessary):			
<hr/> <hr/>			
(filled out by customization specialist)			
Comments (if necessary):			
<hr/> <hr/> <hr/> <hr/>			
New test date: __/__/__			

	Name	Date	Signature
Approved by Project Manager			Protocol №
Agreed by Responsible User			



USAID
FROM THE AMERICAN PEOPLE



Developer			
Approved by Project Manager			



10.6 SAP Integration testing Protocol

Integration Testing Scenario No. _____

Page: __ from __

SCENARIO: BUSINESS SITUATIONS: DESCRIPTION: EXPECTED RESULTS:

INPUT DATA

DATA OBJECT	VALUE/CODE	DESCRIPTION	COMMENTS AND REMARKS

TRANSACTION STAGES

No.	BUSINESS PROCESS STAGES BUSINESS PROCESS PROCEDURE NUMBER	TRANSAC TION CODE	INPUT DATA/ SPECIAL INFORMATION	OUTPUT DATA/ RESULT	OK/ERROR
0					
1					
2					
3					
99					

Comments:

Approved by: _____

Date: _____._____._____

10.7 User Guide Sample

SAP GUI (local) Installation Instruction for SAP R/3 System

1. Installation of Connection with SAP R/3 (10.5.1.22) System Server.

The system's operability depends on access to the database for every installed work station (to check access, execute the **ping 10.5.1.22** command line in MS-DOS emulation mode).

If access is not available (assuming that the network is functioning correctly), execute the following actions ("register" the path to server 10.5.1.22):

- Go to the Network Connections Properties;
- On the tab Gateway, in TCP/IP Properties, add the address of your router;
- After the reload, check again the connection with the 10.5.1.22 address.

2. Software Installation.

Run SAP installation program by choosing SAP GUI Installation from the window Autorun, or by running the file \WIN32\Setup.exe from the supplied CD.

The following sequence of actions is needed to install SAP GUI. For each item, examples of operations executed at each of the next selection screens are shown:

< Print Screen >

In some cases, the installation program requires the preliminary installation of Microsoft Internet Explorer 5, which you can also find on this CD.

3. Customization of Production System.



Now adjust the "**services**" file, which is located in the directory "C:\Windows", or in "C:\WINNT\SYSTEM32\DRIVERS\ETC" for Windows NT:

- Close all running windows of SAP R/3;
- Using Norton Commander, add the line "**sapmsPRO 3600/tcp**" to the file "**services**";
- Save your changes.

The final stage of the installation involves customizing the program to the data production system:

1. From the desktop, run the "**SAPlogon**" program, which is also located in the Windows main menu: **Start – Programs – SAP Frontend – SAPlogon**.

< Print Screen >

10.8 Steering Committee Meeting Minutes

Head of the Steering Committee

_____ Name

**MINUTES No.
of the Steering Committee Meeting**

Date:

Time:

Participants

Treasury	SAP CIS and Baltic States	Partners
1.	1.	1.
2.	2.	2.
3.	3.	3.

Agenda

1.
2.
3.

Resolutions

Resolution	Person Responsible	Completion Date
1.		
2.		
3.		
4.		
5.		
6.		

Appendixes

1.
2.
3.

Project Administrator

/Name/

10.9 Customer Interview Report

Interview Subject		
Functional Area		
Interviewee		
Taken by		
Interview Date		



10.10 Business Blueprint Status Check List

No	Business Process		Responsible	Current status	In	Agreed, Protocol#	Returned for adjustment	Approved by Treasury	Approved by CARANA
1	Code#	Name							
2									
3									
4									

10.11 Workgroup weekly/monthly status report

To:	{Project Manager}
From:	{...}
Functional Group:	{ Group name}
Date:	

A. WORK COMPLETED OVER THE PERIOD

Activity Number*	Description	Planned Completion Date	Status	Comments

* - Activity number from Schedule-plan

B. ISSUES/PROBLEMS TO BE RESOLVED

Activity Number	Description	Cause

C. ACTIONS/PLAN REQUIRED FOR THE NEXT WEEK

Activity Number	Description	Person Responsible	Terms

10.12 Preliminary List of Main Project Documents by Each Project Phase

No	Document Title	Brief Content	Preparation Tool	Person Responsible for Development	Reconciling Party	Approving Party
Phase 1: Project Preparation						
1.1	Project Charter	<ul style="list-style-type: none"> - Description of the project objectives and tasks - Determination of system implementation strategy - Determination of functional and organizational project boundaries - Determination of project organizational structure - Description of the access rights and duties of project members 	MS Word	TeamSAP Project Manager	Project Administrator, Treasury Project Manager	Executive Board
1.2	Project Budget	<ul style="list-style-type: none"> - Project budget for full implementation period - Detailed budget for the year 2004 	MS Word	TeamSAP Project Manager		
1.3	Project Work Plan	<ul style="list-style-type: none"> - Work list - Terms of work execution - Person responsible for execution - Executors 	MS Project	TeamSAP Project Manager	Project Administrator, Treasury Project Manager, BSA	Executive Board
1.4	System Landscape	<ul style="list-style-type: none"> - Technical principles of SAP R/3 system implementation - Client Management Strategy - Description of SAP R/3 system development and setting cycle 	MS Word	System Administrator	Technical Team Leader	Executive Board
1.5	Project Functional Scope	SAP Solution Map	MS Word	TeamSAP Project Manager	Project Administrator, Treasury Project Manager, BSA	Executive Board
1.6	Detailed Work Plan for the Second Phase	<ul style="list-style-type: none"> - Detailed Work List for the Second Phase - Terms of work execution - Persons responsible and executors - Work result 	MS Project	TeamSAP Project Manager	Project Administrator, Treasury Project Manager	Executive Board
Phase 2: Business Blueprint						
Normative documents and standards						

2.1	Power User Statement	<ul style="list-style-type: none"> - Power user rights and duties - Responsibility - Power user work order during project implementation - Power user activity monitoring - Special conditions 	MS Word	TeamSAP Project Manager	Project Administrator, Treasury Project Manager, BSA	Executive Board
2.2	Project Team Training Schedule During Phase 2	List of project team members specifying courses attended and dates	MS Word	Project Administrator	TeamSAP Project Manager, Treasury Project Manager	Manager
2.3	General Plan of Master Data Preparation for SAP R/3 System Running	Work List of Master Data Preparing for SAP R/3 System Running	MS Project	Non-SAP System and Data Migration Team Leader	Integration Group	Project Manager
2.4	General Plan of Transaction Data Preparation for SAP R/3 System Running	Work List for Transaction Data Preparation for SAP R/3 System Running	MS Project	Non-SAP System and Data Migration Team Leader	Integration Group	Project Manager
2.5	Standard for Project Settings and Developments Maintenance	<ul style="list-style-type: none"> - Order for Project Settings and Developments Maintenance - Procedure for setting and development process performing and documenting - Program module creation and documentation principals - Document creation standards 	MS Word	Business Processes Team Leaders	Integration Group	Project Manager
2.6	Detailed Work Plan for the Third Phase	<ul style="list-style-type: none"> - Detailed Work List for the Third Phase - Terms of work execution - Persons responsible and executors - Work result. 	MS Project	TeamSAP Project Manager	Project Administrator, Treasury Project Manager	Executive Board
Project Documentation						
2.7	Blueprint	<ul style="list-style-type: none"> - Blueprint scope - Treasure organizational structure description in terms of R/3 - Listing and description of business processes within the SAP system - List of system documents and reports - List of interfaces - List of data for SAP R/3 system running - List of user roles for SAP R/3 system 	MS Word	TeamSAP Project Manager Treasury Project Manager	Business Processes Team Leaders	Executive Board

2.8	Technical IT Infrastructure Description	<ul style="list-style-type: none"> - Server specifications - Print topology specifications - Network topology specifications - Workplace PC's specifications 	MS Word	Technical Team Leader		Executive Board
Phase 3: Implementation						
Normative documents						
3.1	End User Training and Documentation Creation Plan	<ul style="list-style-type: none"> - List of end users specifying courses attended and dates - List of training materials and the preparation terms 	MS Word	TeamSAP Project Manager Treasury Project Manager	Project Administrator	Project Manager
3.2	SAP R/3 System Check Order	<ul style="list-style-type: none"> - Daily tasks - Weekly tasks - Monthly tasks - Quarterly tasks - Annual tasks 	MS Word	System Developments Team Leader	Integration Group	Project Manager
3.3	Detailed Plan of Development Realization within SAP R/3 system	Detailed Work List of Development Realization within SAP R/3 system	MS Project	System Developments Team Leader	Integration Group	Project Manager
3.4	Detailed Work Plan for the Fourth Phase	<ul style="list-style-type: none"> - Detailed Work List for the Fourth Phase - Terms of work execution - Persons responsible and executors - Work result. 	MS Project	TeamSAP Project Manager	Project Administrator, Treasury Project Manager	Executive Board
Project Documentation						
3.5	Technical Solutions	<ul style="list-style-type: none"> - Application area - Description of "to be" procedure - Operation sequence - Business process charts 	MS Word	Team Leaders	Integration Group	Project Manager
3.6	Master Data Setting Specifications for SAP R/3 System	<ul style="list-style-type: none"> - Purpose - Master data structure description 	MS Word	Team Leaders	Integration Group	Project Manager
3.7	Description of standard function settings	<ul style="list-style-type: none"> - Setting package purpose - Methodological principals used - Setting sequence 	MS Word	Team Leaders	Integration Group	Project Manager
3.8	Functional Specification for the Developments <ul style="list-style-type: none"> - data transfer - interfaces - reports - forms - extensions 	<ul style="list-style-type: none"> - Reasons for development need - Detailed functional description - Transferred data structure 	MS Word	Team Leaders	Integration Group	Project Manager

3.9	Technical Specification for the Developments - data transfer - interfaces - reports - forms - extensions	- Performance method - Detailed technical description - Data structure within R/3 system (if necessary)	MS Word	System Developments Team Leader	Integration Group	Project Manager
3.10	Development List	List of all developments (data transfer, interfaces, reports, forms, extensions) to be executed in SAP R/3 system.	MS Excel	System Developments Team Leader	Integration Group	Project Manager
3.11	Testing Protocol	- Process characteristics - List of errors (if any)	MS Word	SAP (BSA) Solution Architect	Integration Group	Project Manager
Phase 4: Go Live Preparation						
Normative documents						
4.1	Data Backup and Recovery Procedures	- Data backup procedures - Data restore and system recovery procedures	MS Word	SAP-System Administrator	Integration Group	Project Manager
4.2	Integration Testing Plan	List of test cases specifying timeframe and resources	MS Excel	SAP (BSA) Solution Architect	Integration Group	Project Manager
4.3	Regulation of Integration Testing Performance	- Tasks and goals - Testing scope - Completion criteria - Testing sequence	MS Word	SAP (BSA) Solution Architect	Integration Group	Project Manager
4.4	Go Live Detailed Plan	Detailed List of Works during "go live" specifying terms of execution, executor and work result for each work type	MS Project	TeamSAP Project Manager	Project Administrator, Treasury Project Manager	Executive Board
4.5	Statement of Authorization within SAP R/3 system	- Company safety regulations - Distribution of common and restricted information access - General authorization procedure - List of work places and business functions available	MS Word	SAP-System Administrator	Integration Group	Project Manager
Project Documentation						
4.6	Authorization List	Distribution of access rights and authorization within SAP R/3 system on the basis of the user roles and work places list in the system	MS Word	SAP-System Administrator	Integration Group	Project Manager
4.7	Protocol of Production System Installation	Results of the production system installation	MS Word	SAP-System Administrator	TeamSAP Project Manager, Treasury Project Manager	Project Manager

4.8	Work Settings Test Protocols	Settings Test Protocols	MS Word	Team Leaders	Integration Group	Project Manager
4.9	Development Test Protocols	<ul style="list-style-type: none"> - Technical protocols of all development testing - Functional protocols for all development testing 	MS Word	System Developments Team Leader	Integration Group	Project Manager
4.10	Integration Scenario List	Integration Scenarios List	MS Word	SAP (BSA) Solution Architect	Integration Group	Project Manager
4.11	Integration Testing Scenarios	<ul style="list-style-type: none"> - Scenario description - Setting data - Operation sequence - Testing data - Approval of scenario testing 	MS Word	SAP (BSA) Solution Architect	Integration Group	Project Manager
4.12	Protocol of the Integration Testing Results	<ul style="list-style-type: none"> - Result (problem) analysis - Problem fixing - Problem solving 	MS Word	SAP (BSA) Solution Architect	Integration Group	Project Manager
4.13	Data for R/3 System Running	Data for R/3 system per manuals requiring approval	MS Excel SAP R/3 System	Non-SAP System and Data Migration Team Leader	Integration Group	Project Manager
4.14	Work Setting List	List of all SAP R/3 system settings	MS Excel	Business Processes Team Leaders	Integration Group	Project Manager
Operating documentation						
4.15	SAP R/3 System Operational Guide	<ul style="list-style-type: none"> - System description - System security procedures - System administration procedures - Productive database administration procedure - User management - Transport system management - Print administration procedure 	MS Word	SAP-System Administrator	Integration Group	Project Manager
4.16	Manual Maintenance Orders	Manual Maintenance Orders	MS Word	Non-SAP System and Data Migration Team Leader	Integration Group	Project Manager
4.17	Work Setting Description	Setting element forming principles Setting description	MS Word	Business Processes Team Leaders	Integration Group	Project Manager
4.18	Development Description	<ul style="list-style-type: none"> - Program name and storage path - Program performance principles (program algorithm) 	MS Word	System Developments Team Leader	Integration Group	Project Manager

4.19	Operational Instructions	Automated work place instructions describing sequence of operations necessary for every business function	MS Word	Business Processes Team Leaders	Integration Group	Project Manager
Phase 5: Go Live and Production Support						
5.1	Regulation of Document Processing during System Usage in Test Mode	Procedures of document transferring during use of two information systems (legacy and new ones)	MS Word	TeamSAP Project Manager	Project Administrator, Treasury Project Manager	Executive Board
5.2	Master Data Uploading Protocols	Master data transfer results	MS Word	Non-SAP System and Data Migration Team Leader	Integration Group	Project Manager
5.3	Transaction Data Uploading Protocols	Transaction data transfer results	MS Word	Non-SAP System and Data Migration Team Leader	Integration Group	Project Manager
5.4	Protocol for Setting Transfer to Production System	Results of Setting Transfer to Production System	MS Word	SAP-System Administrator	Integration Group	Project Manager
5.5	Protocol of Work Places Readiness	Results of system user work places readiness	MS Word	Business Processes Team Leaders	Integration Group	Project Manager
5.6	Protocol of System User Evaluation	Results of system end user evaluation	MS Word	Business Processes Team Leaders	Integration Group	Project Manager
5.7	Certificate of System Readiness for Usage in Test Mode	Results of system readiness for usage in test mode	MS Word	SAP (BSA) Solution Architect	Integration Group	Project Manager
5.8	Protocols of System Usage Results in Pilot Mode	- Result (problem) analysis - Problem fixing - Problem solving	MS Word	SAP (BSA) Solution Architect	Integration Group	Project Manager
5.9	Protocols of system readiness to start with pilot operations	Results of system usage in test mode	MS Word	TeamSAP Project Manager	Project Administrator, Treasury Project Manager	Executive Board
5.10	Protocols of System Usage Results in Pilot Operation	- Result (problem) analysis - Problem fixing - Problem solving	MS Word	SAP (BSA) Solution Architect	Integration Group	Project Manager
5.11	System Start-Up Certificate	- Pilot operation results - Operating documentation	MS Word	TeamSAP Project Manager	Project Administrator, Treasury Project Manager	Executive Board



10.13 *Open Issue Log*

Open Issue Log

No.	Question Description	File	Class	Status	Group	Created by	Date	Person Responsible	Term	Processed

Classes:

1' - Project Solutions (Customization)

2' - Project Management

3' - Resources

4' - Development

5' - Basis (Administration)

Statuses

'N' - New

'C' - Closed

10.14 *TIMS work plan*

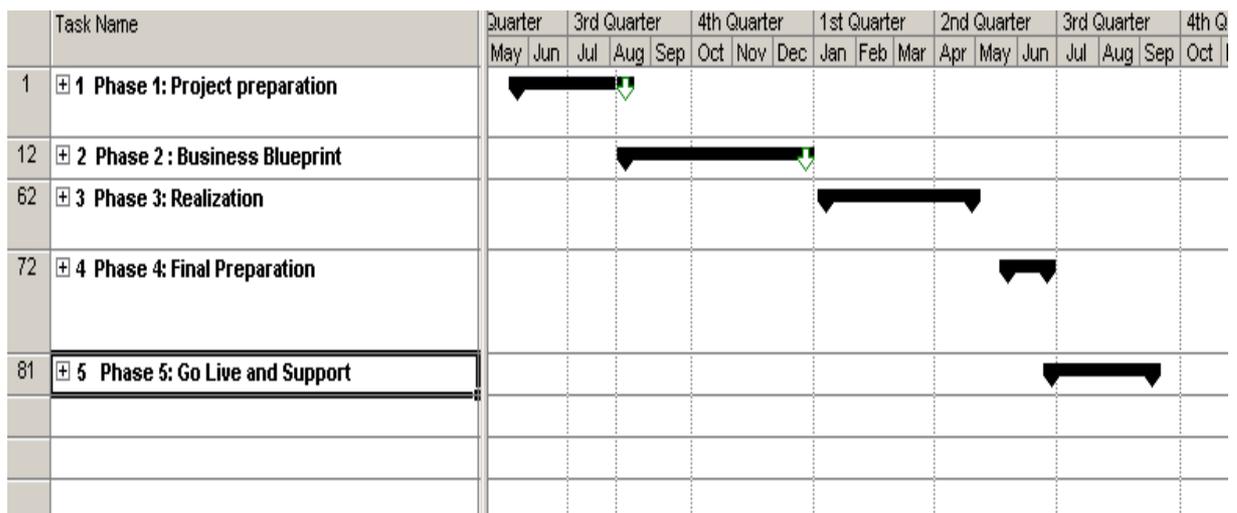
	Work Package & Activity List	Work Package & Activity Description	Start Date	Finish Date
1.	Phase 1: Project Preparation	The purpose of this phase is to provide initial planning and preparation for the SAP project.	24.05.04	12.08.04
1.1.	Initial Project Planning	The purpose of this work package is to enable detailed planning for the project		
1.1.1.	Create and Issue Project Charter, Project Plan, Project Organization, Project Procedures	The detailed project plan determines the milestones in accordance with this Contract. Key elements addressed by the project plan: Project scope; implementation timeframe for future project phases not exceeding the planned project completion date; Resource assignments; Organizational Change Management Objectives		
1.1.2.	Review and Refine Implementation Strategy	Confirm and document the SAP components modules in scope, the implementation approach, and implementation assumptions in accordance with this Contract and the SOW (Att. A) requirements		
1.2.	Technical Requirements Planning	The objective of this work package is to identify the technical requirements needed to implement the SAP technical environment and review hardware sizing		
1.3.	Training Project Planning Phase	The purpose of this work package is to create an end user training strategy, including business processes and SAP system functionality		
1.4.	Quality Check Project Preparation Phase	The purpose of this work package is to provide final verification of all prior project planning and deliverables from this phase.		
1.5.	Establish Project Team Working Environment: Development System Landscape Installation and Setup: Project Infrastructure Setup (Physical location, Phone, Fax, network connections, e-mail, etc.)	The purpose of this activity is to create a common working area for the project team		
2.	Phase 2: Business Blueprint	The purpose of this phase is to create the Business Blueprint for the Azerbaijan Treasury, i.e. detailed documentation of the requirements in the SOW (Att A) and results gathered during requirements workshops	16.08.04	24.12.04

2.1.	Project Management Business Blueprint Phase	The purpose of this work package is to establish a proper cycle of project management activities. It determines all project planning, controlling and updating activities (initial testing plan, and strategy inclusive).		
2.2.	Develop System Environment	The purpose of this work package is to define system administration, user authorizations, backup/recovery, procedures, and to develop an "IT infrastructure document" covering Development, QA and Production environment		
2.3.	Organizational Structure Definition	The purpose of this work package is to define the enterprise organizational structure using SAP organizational units		
2.4.	Business Process Definition	The purpose of this work package is to determine the Azerbaijan Treasury requirements based on SAP business processes, to provide the required functions.		
2.5.	Training Business Blueprint Phase	The purpose of this work package is to finalize MOF management, end-users, and Implementation Team training		
2.6.	Localization of the system	Localization of Business Blueprint Documents and System Environment into Azeri and Azerbaijan local legal conditions		
2.7.	Quality Check Business Blueprint Phase	The purpose of this work package is the final verification of all deliverables from this phase. The Business Blueprint confirms final requirements and project scope in accordance with business processes, organizational structure, and system environment.		
3.	Phase 3: Realization	The purpose of this phase is to implement business and process requirements based on the Business Blueprint	10.01.05	29.04.05
3.1.	Project Management Realization Phase	The objective of this work package is to establish a cycle of project management activities. It determines project planning, controlling, updating and quality assurance activities. Finalization of test plan		
3.2.	Baseline Configuration and Confirmation	The purpose of this work package is to configure and confirm settings from the Baseline Scope for scenarios, processes, and functions. During Baseline configuration the work can be configured without programming or enhancements		

3.3.	System Management	The objective of this work package is to prepare for production operation. This includes monitoring to determine which system administration activities are necessary		
3.4.	Develop Conversion Programs, User Exits, Report Forms, Interfaces etc.	The objective of this work package is to ensure the development and unit testing of Conversion Programs, User Exits, Report Forms, Interfaces, etc.		
3.5.	Establish User Role and Authorization Concept	The purpose of this work package is to set up enterprise-wide user roles along with the required authorizations for system access		
3.6.	Final Configuration and Confirmation	The purpose of this work package is to finalize the scope and configure your SAP System. The Final configuration is a transformation process that expands the Baseline solution, defined during Baseline configuration, to the solution that satisfies all stated business requirements.		
3.7.	Integration Test at Central Treasury and Pilot Sites	The objective of this work package is to plan and execute the final integration test. This is important for the functional verification of the production system. It should be a simulation of live operations.		
3.8.	Localization of the system	Localization of End User Documentation and System Environment		
3.9.	Preparation of the end user training materials	The purpose of this work package is to define, develop, and finalize end user training documentation		
4.	Phase 4: Final Preparation	The purpose of this phase is to complete the final preparation (including testing, end user training, system management and cut-over activities), to finalize readiness to go live	16.05.05	24.06.05
4.1.	Project Management Final Preparation Phase	The purpose of this work package is to establish a proper cycle of project management activities. It determines all project planning, controlling and updating activities.		
4.2.	System Management	The objective of this work package is to prepare for production operation. This includes monitoring to determine which system administration activities are necessary		
4.2.1.	Establish Production System Administration	The purpose of this activity is to set up the required administrative activities, in parallel with the use of business application components, to ensure maximum availability and performance of SAP System		

- 4.2.2. Conduct Systems Tests The purpose of this activity is to test and verify the configuration and procedures defined for the production environment. Test and ensure that the production configuration adequately meets the needs of the end users for live use by performing volume and stress tests

- 4.3. Data Migration and Conversion
- 4.4. Conduct End User Training The purpose of this activity is to finalize logistics for end user training, conduct training, and evaluate its effectiveness
- 4.5. Cutover The objective of this work package is to obtain final approval from the Steering Committee for the system to go live. All preparations for the technical application, and organizational aspects of the project are ready for live business operations
- 4.6. Quality Check Final Preparation Phase The objective of this work package is to provide final verification of the status of all deliverables from this phase
- 5. Phase 5: Go Live and Support** **27.06.05 10.09.05** The purpose of this phase is to move from a pre-production environment to live production operation
- 5.1. Project Management Final Preparation Phase
- 5.2. Production Support



10.15 TIMS Updated Work Plan for Phase 2

Task Name	August	September	October	November	December	January	February	March
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1 1 Phase 1: Project preparation	█							
12 2 Phase 2 : Business Blueprint	█	█	█	█	█			
13 2.1 Project Management Business Blueprint Phase	█	█	█	█	█			
14 2.3 DevelopSystem Environment		█	█	█	█			
15 2.3.1 DevelopSystem Environment Concept		█	█	█	█			
16 2.3.2 Installation BW-Development MOF Ser		█						
17 2.4 Organizational Structure Definition		█	█					
18 2.5 Business Process Definition	█	█	█	█	█			
19 1: Management of Budget Authority	█	█	█	█	█			
20 Customer_Input Analysis		█	█	█	█			
21 Solution_Design		█	█	█	█			
22 Functional_Specs Development		█	█	█	█			
23 User Role Description,Authorization Con			█	█	█			
24 2: Commitment Management	█	█	█	█	█			
29 3: Payments Management	█	█	█	█	█			
34 4: Receipts Management	█	█	█	█	█			
39 5: Cash Management	█	█	█	█	█			
44 6: Debt and Aid Management	█	█	█	█	█			
49 7: Fiscal Reporting	█	█	█	█	█			
54 8: General Ledger and Chart of Accour	█	█	█	█	█			
55 Customer_Input Analysis		█	█	█	█			
56 Solution_Design		█	█	█	█			
57 Functional_Specs Development		█	█	█	█			
58 User Role Description,Authorization Con			█	█	█			
59 2.6 Training Business Phase		█	█	█	█			
60 2.7 Localization of the system (Preparation)			█	█	█			
61 2.8 Quality Check Business Blueprint Phase					█			
62 3 Phase 3: Realization						█	█	█

10.16 TIMS Schedule of Deliverables:

Project Milestones	Deliverables	Latest Due Date*
Phase 1: Project Preparation		12.08.04
	Approved High-Level Business Requirements Documents (SAP Solution Map) tailored to the Ministry of Finance/CARANA requirements in accordance with this Contract. Approved project charter Approved project procedures and standards Developed and approved end users and project team training and documentation plan Approved technical infrastructure, landscape strategy and sizing results Project Team working environment established Installed development system environment	
Phase 2: Business Blueprint		24.12.04
	Defined business process requirements in Business Blueprint Document (BBD) Defined development procedures and requirements (e.g. Gap Analysis) in BBD Defined user roles, authorization requirements and design in BBD Functional specification documents for the development needed in BBD (Reporting, Forms, Interfaces, etc.) Initial Test strategy and acceptance criteria Approved Business Blueprint Document Requirements for the Production System technical infrastructure defined in IT Infrastructure Document	
Phase 3: Realization		29.04.05
	Reviewed and signed off baseline confirmation	

	Approved Detailed test plan with test Scenarios	
	Reviewed and tested development end user Azeri language screens inclusive	
	Created end user training and documentation materials in English and in Russian or Azeri	
	Implemented user roles and authorization (project team and end users)	
	Installed QAS and productive system environment	
	Approved final scope confirmation (Approved final integration test)	
Phase 4: Final Preparation		24.06.05
	Conducted end users and system administration training	
	IT Infrastructure Documentation for Production environment	
	Operations Manual for DBA and SAP Sys Administrators	
	Data from other systems successfully migrated	
	Conducted going live check	
	Confirmed transition to production support	
	Initial Acceptance of final system	
	Final Approval for Go-Live	
	Production environment infrastructure is established	
Phase 5: Go Live and Support		10.09.05
	Confirmed transition to production support	
	Established business process monitoring	
	Signed off go-live and support phase	
	Final Approval for Go-Live	

10.17 Updated TIMS Training plan

Attachment G - Training Plan

A. Russian Language Training Courses

No	Acronym	Max Days	Course Title	Earliest Start	Latest Finish	No. Of trainees	Course Location	Category of trainees
1	SAP01	3	mySAP.com Overview	31.05.04	02.06.04	10 to 14	Moscow Russia	MoF managers and functional Implementation team
	SMI310	3	SAP Solution Manager: Implementation Tools in Detail	03.06.04	04.05.04			
	AC010	5	Financial Accounting and Reporting	07.06.04	11.06.04			
	IPS910	5	Funds Management: Processes, Organization and Configuration	14.06.04	18.06.04	10 to 13	Moscow Russia	
	AC200	5	Financial Accounting Customizing I: General Ledger, Accounts Payable, Accounts Receivable	21.06.04	25.06.04			
	AC201	2	Payment and Dunning Program, Correspondence, Interest Calculation	28.06.04	29.06.04			
	AC205	3	Financial Closing	30.06.04	02.07.04			
2	SAPTEC	3	SAPNet Weaver	02.08.04		10 to 14	Moscow Russia	MoF managers and functional Implementation team
	AC805	3	Cash Management					
	AC280	2	Reporting in FI					
	BW305	5	BW - Data Warehousing					
	BW310	5	BW - Reporting & Analysis		31.08.04			



No	Acronym	Max Days	Course Title	Earliest Start	Latest Finish	No. Of trainees	Course Location	Category of trainees
3	SAP01	3	mySAP.com Overview	31/05/04		4	Moscow, Russia	For IT Tech staff
	ADM100*	5	SAP Web AS Administration I					
	ADM102*	3	SAP Web AS Administration II					
	ADM505*	3	Database Administration Oracle					
	ADM106*	2	Advanced SAP System Monitoring		15.08.04			
4	BC400*	5	ABAP Workbench Foundations	01.09.04		4	Moscow, Russia	IT Developers
	BC405*	3	Techniques of List Processing					
	BC410*	3	Programming User Dialogs					
	BC460	3	SAPscript: Forms Design and Text Management					
	BC414*	2	Programming Database Updates		31.10.04			
6 (Ref-reshing courses)	AC010	5	Financial Accounting and Reporting	01.02.05		10	Azerbaijan	Functional implementation team members and relevant managers
	IPS910	5	Funds Management: Processes, Organization and Configuration			10		
	AC200	5	Financial Accounting Customizing I: General Ledger, Accounts Payable, Accounts Receivable			10		
	AC201	2	Payment and Dunning Program, Correspondence, Interest Calculation			10		
	AC205	3	Financial Closing			10		
	AC805	3	Cash Management		31.05.05	10		



B. English Language Training Courses

Course No	Acronym	Duration	Course Title				Country	
5	SMI310	3	Solution Manager for Implementation - Tools in Detail			27 May	UK	CARANA Chief of Party/Imple- mentation Team Leader
	AC206	2	International Accounting Standards			01 June	Belgium	
	SAPFIN	2	mySAP Financial Solution Overview			03 June	Belgium	
	SAPTEC	3	SAP NetWeaver: Fundamentals of the Application Platform			07 June	Belgium	
	BC470	2	Form Printing Using SAP Forms			10 June	Belgium	
	BW310	5	Business Information Warehouse (BW) – Data Warehousing			14 June	UK	
	BW305	5	Business Information Warehouse (BW) - Reporting & Analysis			21 June	UK	
	AC010	5	Financial Accounting and Reporting			23 June	UK	
	AC280	3	Reporting in FI			09 Aug	Belgium	
	AC200	5	Financial Accounting Customizing I: GL, AP, AR			16 Aug	UK	
	AC201	2	Payment and Dunning Program, Corresp., Interest Calculation			23 Aug	UK	
	AC205	2	Financial Closing			25 Aug	UK	
	AC 805	3	Cash Management			Aug	UK/Belgium	
IPS910	5	Funds Management: Processes, Organization and Configuration			.Aug	UK/Belgium		

A. Russian Language Training Courses (Update, Project Phase 1-2)

No	Acronym	Max Days	Course Title	Earliest Start	Latest Finish	No. Of trainees	Course Location	Category of trainees
2 (SAP Sys Admins)	ADM100*	5	SAP Web AS Administration I	19.07.2004	23.07.2004	5	Moscow, Russia	For IT Tech staff
	ADM325*	5	System Landscape/Transport System	26.07.2004	30.07.2004	3		
	ADM102*	3	SAP Web AS Administration II	04.08.2004	06.08.2004	2		
3 (Budgetary Reporting)	BW305/310	5	BW - Data warehousing/Reporting & Analysis	23.08.2004	27.08.2004	10-11	Moscow, Russia	For Functional staff
	SEM210	5	SEM - Business Planning and simulation	30.08.2004	03.09.2004			