

**Transcript of National Bank of Moldova Software Solution RFP Bidders Conference for  
USAID Moldova Financial Sector Transparency Activity (FSTA)  
Hosted by International Development Group LLC (IDG)**

**Presenters:**

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**Andrei Burciu:** Deputy Head of AML/CFT Division at National Bank of Moldova

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**Introduction:**

**Jessica Tolliver:** [My name is Jessica Tolliver, IDG Director of Operations,] and I will be facilitating today's presentation, but we do have several presenters including colleagues from the National Bank of Moldova. If you have just joined us, please do mute your microphones. It looks like we do have one or two people who have not muted yet, so please do double check that. And in order to save bandwidth, we will keep our cameras off. The presenters will keep their cameras on so that you can have a face with a name. [Now] Just to quickly introduce ourselves.

The National Bank of Moldova Software Solution RFP will be facilitated by International Development Group. Our company is implementing the USAID Moldova Financial Sector Transparency Activity, and we welcome you to this Bidders Conference. [Eugen, do you want to switch to the next slide?] So as mentioned, if everyone wouldn't mind keeping your videos turned off to preserve bandwidth and keep your microphone muted.

Some logistics, all the questions that you have regarding the presentation or the RFP itself can/ should be submitted in the chat window of the Microsoft Teams application. You should be seeing a little comments box on your toolbar within the program itself. So, as you have questions, please do put those there. We will answer all questions at the end of the presentation. Whenever you do present a question, we ask that you preface who the question is for and the area to which the question refers to. So, if it's about the procurement process, please preface it with procurement. If it's about the business solution portion of the presentation, please preface that. If it is technical, please preface that. If it is a general question, you can also note that, and we will figure out who will be able to answer your question. We will address some of the common questions that we received by email throughout the presentation, but any questions today will be answered at the end. [Eugen? Thank you.]

So now I'm going to introduce Matt Macellaro who is the Program Lead for this activity, and he will move us forward. [Matt?] [If you are not on mute, please do mute your phone. I see a few people have not muted.]

## Project Overview:

**Matt Macellaro:** [Okay, I'm ready. Thank You, Jessica.] [You're welcome.] Good, anyway, as I was saying good morning to my colleagues here in the United States, good afternoon to my colleagues overseas in Moldova and throughout Europe, we really do have a truly international crowd here listening to us and participating today, which is very good. We have a number of staff and presenters here from the National Bank of Moldova and including the Vice Governor. We have members of staff from the USAID Mission in Moldova including the Senior Project Manager who is also responsible for the project. In the United States, we have a number of firms, as well as other staff from IDG including our CEO. So, there's a lot of participants on the line and a lot of diversity so let us continue.

Let us first look at today's agenda. I will make some brief comments and then I will quickly turn it over to the National Bank of Moldova to Andrei [Burciu] and Ion [Pascaru] so they can discuss the business solutions and the technical solutions that are needed for this very important process and then we'll continue on with a presentation on the overview of the evaluation and procurement and then to Q&A. [Next.]

Okay. I just want to talk about very briefly here about the players and who the actors are and what the project's about. Of course, USAID Moldova with funds from the US Government, they are the ones who have provided the resources for the project. And as you can see below them, we have the project, the [USAID] Financial Sector Transparency Activity and that is the project, and IDG, [International Development Group] is the as the implementer, and then further down, we see the major beneficiary of this project: the National Bank of Moldova.

And I will talk in a bit more detail in the following slides about each one of the actors in the project.

Okay, now I do want to make a comment about USAID Moldova as well as USAID in general. As most of you probably know, USAID works around the globe with various governments improving various structures, implementing various programs, providing financing to a number of different activities throughout the world. And today particularly as we all face this pandemic, USAID has been at the forefront. More locally, as I want to point this out, in Moldova, we are not the only activity or project there. There are other very large projects going on. One of them is the Moldova Competitiveness Project – its [goal is] to promote a strong and diverse export-oriented economy by improving competition. Another [activity] is the High Value Agriculture Activity that stimulates the growth of the high value agriculture. And then there is the Structural Reform [project]. Again, USAID in Moldova and USAID throughout the world - they cross against all sectors they go from financial sector to agriculture to farming to setting up financing, so they are a big player in a lot of the work that my company does as well throughout the world. [Next.]

Now specifically, let me talk about the Financial Sector Transparency Activity. While the major focus and the focus of today is talking about implementing a software solution, what specifically it supports is economic growth by improving financial sector transparency by effectively trying to combat financial crimes, reduce fraud, by trying to automate the monitoring of the shareholder

activity and these two items will be spoken about mostly throughout the presentation today. And lastly to help expand the securities market by improving the efficiency of the handling of securities.

Now this project not only works with the National Bank of Moldova, it also works with the securities depository which manages the securities throughout the country, the handling of them, as well as the national financial commission on markets and that entity is responsible for regulating and supervising non-bank [sector].

Well today's focus is basically on fighting financial crimes and monitoring shareholder activity. It's a bit broader, but the common thread of this project is fighting crimes and monitoring not the shareholder activity throughout Moldova and we in the future we will probably also be looking for other software solutions maybe not as large as the one we're looking at it now, but to help us in our activities. [Next.]

International Development Group, this is a group I work for. IDG is an international development consulting group. They are located in Arlington, Virginia and like most international developing consulting groups, they work with various donors from USAID to the World Bank to Asian Development Bank. They work with various governments as well as the private sector to help build economic growth and to reduce poverty. At the moment, IDG is managing a large number of projects [I'm not familiar with them all] but I know a public finance project in South Pacific, a Roads project in Central Europe, and a trade project in Bangladesh. Over the past 25 years, IDG has worked in 30, at least 30 countries, and I've worked with them in some other countries around the world. So they do have a global exposure although they sit in Virginia. [Next.]

Let me talk about the beneficiary, the National Bank of Moldova. The National Bank of Moldova like all central banks performs various activities. I think if you look at any strategic plan or if you look at any annual report of a central bank and, I guess most of you are very familiar with it, you'd basically see the three or four bullet points outlined in this slide. They implement monetary policy, they act as the state banker, they license, regulate, and supervise the activities, they issue the national currency and while it might be small in size and it might not have the complexities that let's say the Federal Reserve of the United States has, or the Bank of England, or the ECB in Europe, it does play a very active role in the economy in the supervision of the banks.

And the one thing and this is the purpose for us getting together, the National Bank of Moldova is in a league by itself in some regard because it more actively regulates and supervises the AML/CFT activities of the financial institutions. And as we get further into today's discussions, I think that would be very clear because the system that the software solution that we are looking for and that we are trying to procure and implement basically is unique among central banks.

I want to use and I think I'd be the only one to use the official title of the RFP today and while we will commonly refer to the RFP as a "software solution", but its long title is: "RFP For The Supply And Implementation Of An Integrated Software Solution For Advanced Data Processing And Analytics, Intelligent Risk Patterns Identification, Investigation And Case Management System To Strengthen The AML And Shareholders' Monitoring Capabilities For The National Bank." So besides that being a big mouthful, that is what we intend to do and hopefully throughout the next

hour and 50 minutes, we will further give you additional information about the RFP and hopefully answer all your questions.

I do want to make one comment before I turn it over to the National Bank staff. When we were working together, I believe in the boardroom on the ninth floor of the National Bank of Moldova, we talked about in great detail in late January and February about how we were going to run this bidders conference and how we would go about it and where [it] would be and we had a full day of activities and breakout sessions and the vendors would have a bigger opportunity to interact with the National Bank staff, to interact with IDG to make sure that requirements were correct.

However, as we all know that a few weeks later, as I was planning to go back, it was March and travel came to a halt and the pandemic clearly hit Europe and the United States and all the world. So it did have an impact on our RFP, we were kind of slowed because people transitioned from office to home, communications weren't running as well as we would like them to be. So that created somewhat of the delay, but we still wanted to make sure we had this conference, so we've done the best we can. But again all the questions that were forwarded to us by email will be answered either today or if not today if we don't get to all of them today [because we will have a live chat at the end], you will have a written copy of all the questions asked both in the live chat and that anyone sent to us by email. So hopefully that gives you a good understanding of what the overall purpose was and gives you some highlights of what the National Bank is looking at, what is expected of us, and we can continue from there.

So, with that, I am ready to turn it over to our first speaker Andrei [Burciu]. He will be speaking about the business solutions and requirements at the National Bank and give you some additional insight to the requirements as well. Okay, thank you!

**Jessica Tolliver:** Matt can I jump in real quick? [Sure.] We understand from some people that the chat function is not available to you. We are on the phone with our IT company trying to resolve that, if it's not resolved, we will use the mics to answer questions and if we are not able to get to you or to your question, we will accept additional questions through the end of the day today by email.

**Matt Macellaro:** Thank you, Jessica. Andrei?

### **Business Solution:**

**Andrei Burciu:** Thank you, Matt. Hello to everyone, I am Andrei Burciu, the Head of AML/CFT Division from the National Bank and during my presentation I would like to emphasize some important aspects from the business perspective that actually are in the RFP in section two, three, and four but I believe additional clarification are important. So besides the activities that Matt already mentioned of the National Bank, I would like also to highlight some additional or some elements regarding the concrete activities that we are doing for supervisor and regulation purposes.

So, first is that I want to say that the National Bank ensures the integrity and stability of Moldovan financial systems and besides the activities, [monetary policy, foreign exchange policy], one of the important aspect is related with the licensing supervision and regulation of financial institutions.

Basically, the National Bank supervises the three types of entities, which are commercial banks, non-bank payment service providers, and foreign exchange entities. The supervision process is divided within the National Bank through different divisions but the main responsible [divisions] are the Banking Supervision Department from the prudential perspective and the Anti-Money Laundering And Financing Of Terrorism Division, which is from the AML/CFT perspective. And the main elements that we as a supervisor do is drafting and approving normative acts for the reporting entities, identifying, and assessing the risks, both prudential and AML/CFT, perform on-site inspections and off-site investigation analysis in case any violations and non-compliant with the requirements established, we can apply sanctions and we also exchange and cooperate with both local and international counterparts. [Next]

The project itself, the implementation and IT tool, the idea itself started back several years, and it had a background that National Bank as a supervisor receives a lot of information and data from reporting entities mainly from commercial banks and either through having direct access to some data or receiving the reports in different platforms. And when we look at all the data and reports that we are receiving just came an idea that we [...do] not have capabilities to extract and maybe to analyze all the data that we receive.

And what is more important [...] we are not as capable to extract added value that all this information is put together so these are somehow challenges that we are facing and a lot of work is now manual and working with different platforms, simple, like Excel, just analyzing documents and reports. So also is highly dependent on the ability and skills of the staff of the people involved in this analysis and of course, this analysis is time-consuming and not in some cases maybe and some risks miss somehow so that's why we thought that an IT solution that would help us to bring together all pieces of data that we have at the National Bank and receive through reports.

And this would allow us to increase and to improve our monitoring capabilities to optimize the supervision and regulation process, of course to ensure the digitalization and transformation of the information that we have. This also would help us to align best practices and last but not least is to improve the analytical and investigative techniques both for ownership transparency monitoring and the money laundering financing terrorism risks that arise from the transaction and payment that are performed by the reporting entities. [Can you move to the next slide?]

So, from the perspective of how we expect to see the IT tool that would help us. Probably the first is just to describe the business process for each direction [division] that we are supervising: shareholder transparency monitoring and anti-money laundering and counter-financing on terrorism activities. So, when we look at this from supervision perspective, we see that the major business process is similar and that's starting with the initiation of the process which in both situations it can be either driven from annual plans that we have or can be triggered from any internal or external information sharing from company authorities. Also it can be triggered from the analysis, off site analysis, that is performed either for transaction and payments of the reporting entities but also from the reports that we receive and also can be from some negative news that can appear and then an investigation is initiated.

The analysis itself [...] also has major common things. We are performing the investigation analysis, for instance, for the shareholders transparency monitoring purpose. Its investigation [...]

there are several directions, but [if one wants to acquire or want] to or submit an application with the National Bank and want to receive an authorization in order to own a certain threshold of the ownership in the bank, then we ensure as the central bank, verify and check whether the information submitted is accurate and the person or group of persons are not involved in any criminal activities.

Also it can be the situation when as an obligation to monitor annually the transparency of the bank's ownership, we investigate and want to assess it. If any changes occur or if maybe the shareholder maybe have some linkages with either with the management of the reporting entity or with other shareholders or with the beneficiary. And this is important because in order to assess whether this shareholder or a group of shareholders do have the right permission in order to own the bank.

From AML/CFT perspective, it's important to the investigation [...] when we are preparing to go on-site, we need to assess and to sample different customers in order to then, during on-site inspection, to verify additionally how the bank is complying with the requirements, especially accumulate information about the customers and we will [...] if they do monitor the transaction, they report to financial intelligence unit and another direction is when we are doing off-site analysis, in order to have a big picture analysis for the sector. Usually all the analysis and investigation are on-site inspection that are planned or ad hoc. They are usually documented. We usually draft a report and submit both to the reporting entities and to management board.

Also one interest [or] one expectation from the IT tool is to maybe [have] all this information data and reports that we have, to extract some statistics data reports that can be used for statistical purpose, for banking supervision or for AML/CFT division or maybe in other situations by other departments. That's why we designed how we expect this IT tool to look like and we came to the conclusion that the five-blocks design, would cover all the our needs that we want, which is mainly the data connectivity and in this part, the IT tool should combine all the information that we have.

It is to mention that the main part of the input data will come from the payments transactions that are performed by the customers that have accounts in reporting entities. And they are structured [as follows] first is SWIFT type messages MT-103202, then local payments which are conducted in MDL but they are similar with the SWIFT type of messages. Then we have cash transactions that we received through monthly reports. And we have of course other reports and data that will be integrated either from Central Securities Depository or from other platform that are in the National Bank either for credit risk that we get [such as] loans portfolio from the reporting entities or from notification authorization system that we receive different information regarding shareholders.

Another block is very important and here we expressed to see that the tool is helping us to sample, sort, filter, order, search, and have a list of different detection rules that would make linkages between transaction or between persons. For instance, agent cannot [move to another slide].

For instance, concrete examples for you to understand this from shareholder transparency monitoring perspective is a simple case, for instance, the proposed acquirer wants to get permission from the National Bank in order to own certain threshold of the shareholders shares on the bank.

So then the solution would support NBM staff to verify the information submitted if any linkages exist between a proposed acquirer and the shareholders or maybe management of the bank. If any for instance negatively news appeared, how they can be together combined and an evidence-based alert or some risks can be extracted from the data. All data combined all together. For instance, for AML safety purposes, we expect to see, we don't want to interfere with the financial intelligence unit or reporting entities what they are doing. But we are more focused on the big picture and see different patterns that can occur in the sector. And for instance, a chain of depository transactions occur in different institutions, then all these depositories are channeled through different transactions into one account. And then from this account, maybe other payments abroad are performed in countries that are high-risk for instance.

So these two should allow us to see this big picture as a factor, not the single transactions or single claimant, that are performed by one person or individual or legal person. So, in this sense, we expect that the solution shall be flexible and use different modern techniques, analytical techniques and methods, shall be user-friendly - by looking at the interface, you can combine different individuals or cases or you can drill down to see why an alert was triggered, different rules that has been used. So, we expect that this [feature(s)] will support our needs.

And of course when managing different alerts, an important part is to [provide evidence] how the alert was triggered [for] findings and conclusions [that] can be then exported or used either when drafting the reports or maybe could be situations when we need the information to be presented in court.

*Common Questions:* So, the next slide, I would like to maybe [answer] some common questions that we received during this week from different vendors.

The first bullet is: what type of IT tool do we expect. Well, as I said, we don't want to be an FIU to act for our reporting entities. We are looking for a risk control oriented [solution], in order to see the risks to have the big picture of the sector.

The bank risk rating: here's what we expect is to have different criteria, some factors that the IT tool will have. This should help to rate the bank risk and this risk to be used for future analysis and different alerts that can arise.

Sanction screening: we don't have any concrete type of companies that can be used or lists. But we expect that it can be both public or private, this is up to the vendor to decide. But we expect to have the list of designated persons that is according to international standards [and] is as an input for this IT solution. And, this tool shall help us to see if any transaction do much with during the screening with some person that is not required.

Adverse media screening expectation: we expect that the IT tool will somehow combine the information that appears in the media and especially regarding different names, different figures with different companies that are involved and to combine all this with the data information that we have from the reporting entities and from transactions.

Real-time monitoring: Well, we do not expect to have a solution that is a real-time monitoring because we are supervising, we cannot interfere in any payment and transaction. So that's why we usually supervise and not in real-time. But it depends on the information, daily, monthly, so we should have the possibility to make analysis in different periods of time. This is all that I wanted to say.

**Jessica Tolliver:** So just briefly, thank you very much, Andrei. It seems the chat function is not working. We did just send an email out to everyone. If you do have questions, please send them directly to [procurement@internationaldevelopmentgroup.com](mailto:procurement@internationaldevelopmentgroup.com). I am monitoring those [emails] that are received and will answer them at the end. So, please do use that method rather than the chat. Thank you.

**Matt Macellaro:** Okay. Andrei, let me say thank you much for that presentation. I think you added to what I've said that the National Bank of Moldova is at the front trying to combat financial crimes, looking at it from a basically complete view of the financial institutions. And I think as the next presenter talks about the technical solutions, we will hear more of that what they need to have - a strong tool that can look at the entire financial sector as well as determine the risk involved and how to combat financial crimes. [...] So just send your comments/questions to IDG at the procurement email and we will get back to you either at the end of this or over the weekend / Monday. Alright, our next presenter is Ion [Pascaru], and he will talk about the technical solution necessary at the National Bank. Ion?

### **Technical Solution:**

**Ion Pascaru:** Thank you, Matt. Hello everyone. I hope all of you are good and safe in these times of uncertainty. Before starting with my slides, let me thank you for taking your time and joining this conference. I think it is very important because we would like to set up very clear expectations, and I think that would help us to get better responses tailored to our request. And also a special thank is for our colleagues from USAID and IDG. Thank you very much! Your support is very vital for this project. And I think that this project is worth investing in because it is going to be quite challenging, interesting. And as you mentioned, Matt, a quite unique type of project, at least in our region.

So now coming back to the slides, I want to mention that Andrei pointed very critical and very important expectations. And from this perspective, the technological side of the solution should have also very high-level expectations. We need to address different challenges in a very efficient and nimble way. And we talked here about very provocative technologies like big data, intelligent analytics risk identification, data visualization, and so on. So, this is what we want to see in our future solution. Also, very important for us, we want to build a solution on an open and modular architecture based on COTS building blocks. So, what I mean by COTS - it's commercial out of the shelf solution that already has proved their efficiency. We wouldn't like to go into a project to develop some custom software from scratch. We think that it is too risky and too long for much of the end results.

Very important for us is also the flexibility. It's basically how the solution will be adapted to our continuous changing requirements from the business side. And, here, we want the business to be

as much as possible autonomous, not depending on IT. I mean defining their rules, then defining new reports and so on. Performance is critical here because we would need to handle high volumes of data, and these data is going to grow over time, so scalability is also an important future for the solution.

Security, of course, is [...] very important because we deal with very sensitive data, with personal data, and we should have very advanced controls on security. From the user perspective, it is much important to have this kind of unified user experience and easy to use tools because this is critical, even for change management to be successful, we need to have this very easy to use tools.

Okay, going to the next slide, I would like to point on the high-level concept or design. So here, is Basically, the entire architecture of the system. It's what we think it should look like. And on the ground level of this solution, the important functionality that should be there is the data connectors that would provide a quite efficient and advanced data management capability for the National Bank of Moldova. We mentioned that we have different data sources internally and also external, and these data sources have different formats, different structure. And we need very good capability to handle these challenges with managing data. Also this data would feed the other models that are also important in here, like the detection and analytical model.

Here we, in our design approach, we expected to see a rule-based, rule scenario-based detection, but as we mentioned in the RFP, we are very open and very enthusiastic to see also the newest technologies that are available on the market based on artificial intelligence and machine learning. The reporting and investigation analysis tool is quite a very advanced business intelligence tool. The most critical part of it, it should be the network analysis which would allow us to visualize all the relation between data and then to drill down and inquire every piece of information in order to make concluded investigations.

Alert and case management model is basically the day-to-day workspace for our supervisors, and we want to keep in a centralized repository all the data that relates to cases, all evidences and also to keep monitoring how open cases are going on. Okay, can we go further?

So, actually, I touched a little bit about data connectivity. What I wanted to add here is that yes, we are expecting like a full capability ETL tool, so we want to be able to extract data from almost any kind of data source. We want to be able to design scenarios for the data extraction, for data transformation, for data cleansing. So, everything that would be needed to have an efficient data management capability. It is recommended, but we [are] also highly expecting this kind of functionality to have. We would like to see a web crawling functionality, which would allow to search the information directly from the solution to access, for instance, some internet data sources or have this kind of capability to search in a number of social networks.

And going to the next slide. I will mention what we expect from the flexibility point of view. So, we need to be able to adapt very easily and very fast to new challenges, to add new data sources very easy, well in a very easy way, to add and extend the existing detection rules and modify scenarios parameters to calibrate them, and all of this stuff. We would like also to have the possibility to manage very efficiently alerts, to improve the false positives of false negatives rates,

and to improve overall the functionality of the solution. Of course, managing access rights, monitoring the critical activities in the system is also of a high concern from our side.

The next slide would be about security. So, as I mentioned earlier, security is [...] a high priority for this system. It should be secured by design, it should be in compliance with the best standards, and particularly, we would like to emphasize on the principle that “everything which is not explicitly allowed is forbidden.” So, this is the way we are going to manage the security of the system. We expect very granular access rights to be possible to manage. We also expect single sign-on identification, and of course, full auditory history of changes is very crucial in order to demonstrate in each moment of time that the information is not altered, or the data integrity hasn't suffered. [Could we go further?]

Performance. From the performance perspective, we did some estimations of the data of volumes, and the overall estimation is that we have around 50 million records per year, and we expect that each four year this volume would double. Also, we tried somehow to count the daily number of transactions that we received and there is a lot, from 50 sometimes to more than 200,000 per day. So, these are key inputs for you because we would like, in your response, to see a recommended infrastructure, let's say, configuration. And I think that you should take into consideration these amounts in order to draw quite good performing solution.

In terms of key futures of the solution, we expect that it would have native integrated capabilities, such as in-memory processing, multi-thread processing, parallel execution of jobs and so on. A critical moment here is that we expect, and we, from the business perspective, we would need to have all the operational and historical data in for a minimum of the last five years into the database in order for the investigations to be concluded and to monitor over time how the risks are evaluating. So, after these five years, we [are] expecting that we will have some data archiving procedures in place, and some of the data we will archive.

And for the infrastructure platform, we expect a minimum dependence of some specific providers. I mean, from the hardware perspective, we would like to find a solution that can be implemented almost on all kind of standard equipment with that we can find on the market. And even more, I would say, that it should be fully compliant to be deployed in virtualized environments because here at National Bank of Moldova, we operate only in virtualized environments. I think this is not a problem with today's technologies because everything is going to the cloud, and the virtualization is quite a common feature for all the solution.

We put some minimal infrastructure requirements in Table 4, and you will find it in the RFP. Not so many, but there are some like, what kind of virtualization environment we are supporting, what kind of database we are running, databases technologies we are running in present at the National Bank of Moldova. And one more slide. [Could we move to the next slide? Okay. Oh, I thought we have one more slide.]

I want to just to tell about the environments that we will keep after going live. So basically, we want to keep the production environment and the test environment. For the test environment, if any additional license is needed, you should consider this in in your response. We expect to have two users for the testing environment. In the testing environment, we will develop new rules, we

will try different futures, and if successfully, we will try to migrate them on the production environment. And for this purpose, we expect it's not mandatory, but preferable requirement, if possible, to have some mechanism that will assure for us the personalization of the data that are copied from production to the test environment.

Okay, I think that I addressed the major concerns from the technological perspective.

*Common questions:* Now I would like to address some common question that we received, and some of them referred to the input data.

What kind of input data we have, what type, what's the kind of structure: So, all the details about the data we tried to put in our table in the RFP, but I would like to add some clarification. So structural data is mainly in databases format or we can export a kind of data files if needed. For unstructured data, our business divisions, business units are using a lot of scanned PDFs. We've recognized text. So the solution should allow us basically to import this kind of PDFs to add to the case and also to add to the repository to make them searchable and to link different pieces of information that could be linked with other existing data.

For external sources, we expect to obtain several different information from our security depository in forms of electronic file structure form. And one additional feature we are expecting here is to pull some data from governmental agencies through a web service, a dedicated web service. So, it is specific data that we need to interrogate from these web services to be added into the case or into the data repository.

Another question that was addressed is about the training, what should training include: So, from business perspective, we expect very good and very, let's say, holistic transfer of knowledge and not only of knowledge, but maybe know-how from the vendor and cover all the key users groups. I mean from AML, from shareholders transparency, and also including IT who will have to maintain this solution, who will have to make some administration maybe. So, the idea is that we should cover all the user groups. We will discuss more details about the training agenda at the analysis and design phase, and we will agree together with the selected vendor what would be the detailed agenda for the trainings. Okay, I think that's all. If there are any other further question, we will address at the end of this session. Thank you.

**Matt Macellaro:** Okay. Ion, thank you very much for that presentation. I think you added a lot. I think you highlighted the right areas that need to be covered as the potential bidders look at the process but I think you gave us a good overview of what your requirements are and how they relate to your business requirements as well. So I think between the both of them, now it should be clear if it wasn't clear and I hope it was clear in the RFP what the exact business requirements are and what the technical requirements are. So, the next portion of this presentation, I am going to turn over to Tom [Nicholson]. Tom is going to talk about the evaluation process and he is going to speak to that specific area, and I know that's a big question on everyone's mind. While it's clearly stated in the RFP, I think hearing it live and seeing it live will add to it. Tom, please.

**Evaluation Process:**

**Thomas Nicholson:** Andrei, Ion, thank you for great presentations. I think that adds a lot. Basically, the bank is looking for a set of tools that provides a solution that is as off-the-shelf as possible, utilizing big data analytics, fraud detection, and AI tools to analyze and manage both internal and external data that can be both structured and unstructured. The focus is that the bank will be working primarily with aggregated data as opposed to individual transactions. And the challenge to you, as bidders, is to really kind of come together with a set of capabilities that are integrated, easy-to-use set of apps, that they can utilize to fulfill their kind of overall supervisory responsibilities. So that's the challenge that we'll put out there, and I hope the presentations were helpful in giving you some additional clarity.

As regards the evaluation process, [next slide] so in the RFP we go through in detail talking about the evaluation criteria. You can see the weighting in the RFP. It actually gives more detail in terms of what each section goes through as far as weighting. There will be a technical evaluation committee made up of representatives of the National Bank of Moldova as well as IDG. They will be responsible for going through detailed scoring. We're using kind of a traditional 0 to 4. Zero being unacceptable, doesn't meet any of the requirements. [A] One being meets some of the requirements but not all of the requirements. A two being that it meets the requirements. Three [means] that it exceeds and then lastly, four, significantly exceeds.

One of the things that I want to advise you on, in particular, is given this kind of a scoring process, we really need to have detailed and complete explanations of what your offer is. You know, the kind of traditional yes/no answers are really not sufficient and may in some cases be viewed as being effectively non-responsive. So, what we're really looking for is you to really give us as much detail in your explanation related to each requirement that gives us a good sense as to what you can provide.

In addition, we are also happy to take your recommendation. So, if there is a particular requirement and you can meet [in] different ways, let us know that because that gives us additional options and additional opportunities. So, we are interested in hearing your ideas as well. This will be scored but again it is relative and Jessica [Tolliver] is going to talk in a minute in terms of best value. There will be, we are going to essentially take the top bids both from a technical and financial perspective and then ask you to do an additional presentation which would focus on clarifications that may be required as well as a more detailed explanation of the solution. So, I am going to leave it at that. Jessica [Tolliver] is going to move on and talk about some of the more detailed procurement policies that we will pursue. And again, thank you all for joining us.

**Matt Macellaro:** Yes, thank you, Tom. I appreciate that and I hope it added some clarity to this process. I think, you know, all the bidders out there need to know and clearly understand what the evaluation process is and how it will be scored. And I think you laid it out clearly there and I think our next presenter Jessica [Tolliver], who we met earlier on, she will add some big value because she will explain about the whole procurement aspect and what we are looking for. So, I think without saying anything else, I'd like to reintroduce Jessica. Jessica, you are on.

**Procurement:**

**Jessica Tolliver:** Thanks, Matt. Okay, everyone, we're going to talk a little bit about what a best value procurement is. Tom [Nicholson] did speak a little bit more in detail about exactly how the technical scoring will be completed and showed you the point structure. We did receive a question by email about whether the rubric would be available in terms of scoring: what you just saw from Tom is actually the rubric that we are providing and that is in the RFP.

In terms of what a best value procurement focuses on, is essentially, we're looking for the most advantageous solution that considers both the technical and cost factors. And so, the way that this procurement will be structured is that it will follow what we call a cost and technical trade-off. And so, essentially, we're looking for the best combination of performance, qualifications, price as they are relatively important to the National Bank.

There will be a committee that we are calling the Source Selection Review Committee that will be certain that the acquisition procedures are followed properly and that this procurement does conform to what in the US Government we follow is the Federal Acquisition Regulations and the AIDAR, which is specifically to USAID. The Technical Evaluation Committee, as Tom [Nicholson] mentioned, is formed by individuals from International Development Group as well as the National Bank, and they will be the ones to review all the technical proposals and score them alongside the methodology that Tom just presented. [Next slide, Eugen]

So, I just want to quickly give you a snapshot of what it is that we are expecting from the technical proposal submissions. As just a quick reminder, these are the components that are listed in the RFP as being required. If we do not receive one of these components, the bid is considered unresponsive. So please do ensure your submission does include each of the components listed here and of course, these are an RFP as well. [Next slide]

In terms of the financial proposal, these are the five components required for the financial proposal. We have included a budget template that we would ask that you please use and then we do want a detailed budget narrative that does indicate the basis for each cost that you are presenting in the budget. We want to understand the unit costs, how you derive those unit costs versus the units that are presented. And so we do need that level of detail to ensure that the cost presented is considered reasonable. We are also asking you to include the total cost of ownership and then there is a document that we use, in the USAID procurement world, call an Evidence of Responsibility. So, we ask that each firm also submit that. [Next slide]

So, in terms of the contract cost components, we are asking that you include the following items. We want to ensure that the licenses are budgeted clearly, we understand the cost of implementation services, and separately, we [want to] understand the cost of training. And then, we want a 12 months after the final acceptance of the standard licenses, we want to understand what the support services and warranty services are as well. In terms of the total cost of ownership, we would like to see all the details that will be necessary to continue maintenance and support for the software solution over the following five-year period. So, we would like to see these in detail because the final evaluation of the cost will also include the total cost of ownership. [Eugen, next, thank you.]

So as Tom mentioned, all of the bid responses should be very detailed and complete and include a detailed explanation of the responses to the matrices that we've included in the proposal. Please do

not just provide it yes or no, we like to understand a bit more about the solution presented. And we do want to understand that if you are entering into a partnership with another firm, we want to ensure that you, as the prime contractor, understand that total responsibility is held by the prime. But if you do have a subcontracting partner, please do clarify that relationship and the responsibilities between the parties in both the technical and the cost proposal submissions. And then as mentioned, the total cost of ownership, we do want each of these elements to be presented. [Next, thank you.]

So, we will follow up after the submission of the bids with any clarifications that IDG or the National Bank require. The presentations, as Tom mentioned, will be limited to just viewing the solution and these presentations will not be scored. Rather they are just to provide IDG and the National Bank with a bit more detail as to how the solution will be implemented. And these, the top bidders, will be selected for presentation. In terms of the contracting process, as Matt explained earlier, the contracting is going to be between IDG and the successful bidder. The funds for this do come from the US Government by way of USAID Moldova. We will have negotiations with the bidder chosen, and those will be done following presentations and selection of the final firm. In terms of approvals that are required, IDG is required to seek approval from USAID before entering into a contract. This is called a consent to subcontract and so once the negotiations are complete, we will present that to USAID for their final concurrence. And I think just a final note is that the National Bank will indeed be an integral part of the Selection Committee.

And I think as we've mentioned a few times, we will take questions here in just a moment. I've received one or two by email, so I will go through those. But the final questions will be put on the IDG website by Monday, and this will include any questions received today as well as any questions that we received by email in advance of the conference.

**Matt Macellaro:** Okay, thank you very much, Jessica. I think that kind of added and closed off this shortened conference that we wanted to have. Like I said, I was hoping it to be in downtown Chisinau. But I think that does add to it and it makes clear how we proceed from here today. One note that I just see maybe we will not have virtual presentations in a few weeks but I think everyone if you are called to make a presentation, I think you better be ready that it will be a virtual presentation, particularly our colleagues from the National Bank will have difficulty coming over to America. And you definitely are going to have difficulties getting over to Moldova, at least for the next few weeks. So be prepared for that aspect.

#### **Q&A:**

**Jessica Tolliver:** So, Matt, we do have a few questions. Okay, so I am going to read the questions and then I will go address the specific individual that the questions are pertaining to if you give me just a second. We got one question that is:

Question: Is the RFP scoring rubric going to be made available, and if so, where can that be obtained?

Answer: I think I addressed that the technical scoring is available but again this is the best value procurement and so there's not a detailed scoring that will be done on the cost specifically.

Question: Regarding adverse media screening requirements, are there definitions that define what is considered a negative or adverse social media alert or post which can be rated by severity for flagging. Matt do you know who can answer that?

**Matt Macellaro:** I think Andrei would be the best person, okay, and maybe Ion might want to add something. But I think Andrei is the best person. Andrei?

**Andrei Burciu:** Yes. I don't think we have a definition but the idea is to have the information that is coming from media, different type of articles, different news that appear should be used when a person or individual or some transactions concerns. We as a supervisor should analyze or investigate, so the information shall be used in order to be assessed, for instance, in media says that some sum of money was transferred abroad which is different companies linked and that are linked with some politicians or parties political parties so somehow this information, the name of the person involved, some that is shall be at least analyzed through real information and data taking from [the] transaction and payment that of that person, and we checked whether it's accurate or whether is not accurate and how if the information is in the real time it is different than further analysis should be conducted by the staff of NBM in order to understand the impact of that information and whether additional actions are necessary. So, this is how we see that the information from just as many as screening could be used in the tool.

**Jessica Tolliver:** Thank you, Andrei.

**Matt Macellaro:** Ion, do you want to add anything from the technical side on that or that solution or his comments are sufficient?

**Ion Pascaru:** Well, maybe not exactly from the technical side but just to mention that. So, I understand the question that the concern is whether we have specific criteria to classify adverse media screening. Basically, now we do it in a manual way. It's done by supervisor looking for the media, and we have basically some very basic criteria. What we expect from the vendor, we expect to come with the know-how to agree to gather advanced criteria, which at the moment we don't have, to agree what would be the algorithm for assessing. And at the end, to come with an end result. So, answering directly to the question, we have some basic criteria, not the advanced ones, and we expect that we would come to a common solution with the vendor. Thank you.

**Matt Macellaro:** Thank you.

**Jessica Tolliver:** Thank you very much.

Question:

So, our next question is: is it okay to include, I will read the whole thing. So you've just mentioned that you are looking for a detailed response in the various requirements. Is it okay to include these outside of the table from the template on an appendix providing a link in the table to the right paragraph in the appendix?

Answer: I think some of these logistical questions, we will confer as a committee and get back to you on. So, at the moment, I would say plan to use the template, but we will submit a formal response once we discuss internally.

Question: Given the cost/technical trade-off for decision process, is there an idea of available budget for this project. Do you have a range of values that you would consider?

Answer: At this time we're not giving a range right now, we will consider whether that's necessary and discuss as a committee and possibly send that in a more formal response. But at this time, we are not planning to give a budget range.

Question: Is there any further guidance available on the current technological capabilities within the National Bank of Moldova? I will give that question to Matt or one of our colleagues from the National Bank.

**Matt Macellaro:** Thanks, Jessica. I think clearly that's an Ion question. He can tell us where we might find them. I would definitely use the RFP as a resource, but Ion do you have other sources that you would talk about.

**Ion Pascaru:** Actually speaking, I didn't catch the question quite well but I assume that everything that is critically needed to know is in the RFP. If something we have missed there, I think [vendors] were provided a chance to ask questions and we did address almost every question and you will get the responses very soon. I don't know what to add because I don't understand about what kind of specific capabilities is [in] the questions. Maybe if we could reformulate the question, I would try to answer it again. Thank you.

**Jessica Tolliver:** Okay. So, if the individual [that sent the question] wants to send an additional question, please feel free to do so and we can try to address it here or in the follow-up. We have a couple of questions I will jump to the chat there seems to be working for a few people.

Question: One is for procurement: does past performance pertain to experience in undertaking a compliance transformation program at scale or specifically working with a central bank for similar natured compliance transformation projects?

Answer: So, with that, we defer to you on selecting the most relevant past performance that you think applies to this particular solution. Matt or Tom, I don't know if you have a preference between those two that you'd like to articulate but from my view the bidders should select what they believe to be the most relevant.

**Matt Macellaro:** Jessica, I agree with you on that. Since this is somewhat of a unique system that we're looking at, I think the vendor needs to highlight where their experience has been, and how it more closely matches what we need. So, you know, it's not like with other systems where there's a one-to-one match off, here it is a bit bigger than that, so I think the vendor clearly needs to decide for themselves and offer what they think is their best past performance relating to this. We realize it's not going to be as easy as some people like but yeah they have to make the choice, okay? Tom, do you want to add anything?

**Thomas Nicholson:** No, I'd agree with that. I mean, this is a pretty unique system so I don't expect that many of you have central bank experience providing the same type of system. Really try and come back to us with the project that you've done that matches as closely as possible to what we are requesting here.

**Jessica Tolliver:** Okay, thank you.

Question: So the next question is about a bid bond.

Answer: We will review this and get back to you with the responses by Monday.

Question: Then the question I received by email is related to the whether the bid is oriented to the lowest cost bidder or it is an overall value based bid.

Answer: Again, it's an overall best value based bid so there will be a trade-off discussion between the technical and the cost whenever we go to evaluate. Only the bidders that do receive the highest technical scores will have their cost evaluated, and at that stage we will determine the cost technical trade-off and that will be the selection that we proceed with.

There are a couple other questions that I think are redundant to [the] ones we've already answered here. I wanted to, hold on, I've got a few more. So, I think some of these questions we should maybe answer by email or following the conference. Matt, I think there are some interest in going through the questions received in advance and so I would suggest that we maybe go through some of those in the next couple of slides with the time we have remaining.

**Matt Macellaro:** Let's go through them. I agree, we might duplicate some of the answers but we can just then go quickly over them, okay?

**Matt Macellaro:** [Question received by email prior to the conference] How many uses of the system will be at all and by every role (case management, reporting, analyst).

Answer: This we sat around and discussed over the past few days and the answer that we came up in the committee was that the information related to the number of users is providing in the licensing non-functional requirement NF 6.05, which is listed on page 44 [of the RFP]. At the same time, please understand that, and here again is where we're emphasizing that, the National Bank of Moldova is not implementing a classical transaction monitoring tool but rather wishes to aggregate and analyze different sources of data including transactions in order to identify risk patterns. Remember we're looking for linkages, for trends, for transactions between various sources shareholders and what is going on with banks so that is the clear answer. Ion, do you want to add anything now that you're seeing this up on the screen?

**Ion Pascaru:** Matt, I think you addressed it already.

**Matt Macellaro:** We came to the answer in a solution, okay, in a committee. Okay, great, let's go to the next question then.

Question: Could you provide us an estimated number of training sessions and persons training session? Should these trainings cover only the functionality of the solution will they only cover the functionality of the solution or also guidelines for persons analyzing the alerts generated by the software solution in order to better understand and ML/TF indicators?

Answer: The training plan will ensure an adequate level of knowledge transfer and cover all the user groups including Shareholder Transparency, AML, IT and both the IT and Business administration and maintenance. The anticipated number of persons to be trained is in the range of 15 to 20 people. The final agenda for the trainings will be agreed in cooperation with the vendor during the contract negotiations. And I believe we also hit upon this in the common questions earlier, so I don't think unless Andrei or Ion have an additional comments. I believe we answered this completely as well.

Question: Can you please provide more information on the way the BRR is calculated? Will the risk indicators assessed for calculating the BRR be dedicated to AML/CFT area only? If not, what other areas should be considered?

Answer: All commercial banks in Moldova are normally subject to an annual assessment in terms of the BRR per the requirements of the shareholders transparency and AML/CFT. The implementation of the software solution will enable NBM to conduct continues risk assessments of the banks. These assessments will be conducted automatically based on predetermined risk factors, criteria, scenarios, assessments algorithms etc.

Second point: All BRR are determined based on the calculations related to the AML/CFT risk criteria and the risk indicators, and it is listed in Section 2.12.3 on page 17 in the RFP, and this is in collaboration with the shareholders transparency area. Andrei, I think that completely answers [the question] - we gave you the resource where you can go look it up. Andrei, do you have anything to add to this at this point?

**Andrei Burciu:** No, I think it addresses well the answer to the question.

**Matt Macellaro:** Right, here for all the participants, all these questions that we received over the past few days, we have been able to look at it and come up with a complete answer.

Question: Will the National Bank determine independently the risk level for commercial banks' clients or the risk level will be the one determined by the commercial banks?

Answer: Here the individual commercial banks have the obligation to determine the level of risk associated with each of their customers. The risk determined by the commercial banks for their customers will not be the basis for determining the risk reading. The National Bank will, however, consider the information provided by the banks when determining the overall risk rating for each bank. Andrei, maybe you could go through a few of the steps that you might take while on an examination or how you look at this and maybe we will be clearer. I mean, to me this is clear but I've also sat in on a number of discussions and I've been to Moldova and I'm somewhat familiar with the bank supervision. Do you have anything to add to this?

**Andrei Burciu:** Well, the risk rating itself it's a complex exercise so we don't want to do the bank's job in saying that we analyze the risk for their customers. They're obliged to have risk rating established and assessed, and we just see how they comply with this requirement. But from what we want is just because the availability of information for risk rating as an input to the solution is limited, then we will elaborate a certain number of criteria and factors that will be taken into consideration when scoring or giving a rate to certain customer or a certain bank. So the input information will be the only data that will be decided together with the vendor, the criterion elements to be taken to consideration when determining either the risk for the customer or for a certain individual or for the bank

**Matt Macellaro:** Okay, maybe you could clarify one point that's not clear in my mind is that you said the banks have the obligation to determine the level of risk for each of their customers. Now is it different from bank to bank or is there an overall guidance from the National Bank that speaks about this. So if, I was a client, and I had very similar attributes to another client at a different bank. Can the banks come up with different scores?

**Andrei Burciu:** Well, yes, indeed we do have recommendations/guidelines for the impact how they should conduct the risk assessment both for individual, for certain customer, and for the bank as a whole. But the bank can determine by itself, the model and weight it determines, and the criteria to take into consideration to determine the risk so we [the Bank] do not offer a concrete element that should be taken into consideration. We will just guide them, how should they do the assessment. So, they can consider different approaches.

**Matt Macellaro:** I think that adds to this question and the answer that we provided.

**Ion Pascaru:** Sorry, I would like to add some additional comments here because I think it is important. I assume I understand the vendors concerned here and the question is rather about how complex is this algorithm to calculate the bank risk rating. So I wanted just to provide some high-level details. So this indicator is basically formed on different inputs, which we consider as risk factors. And each risk factor would have a specific weight, and when calculating the total bank risk rating, we will just make this sum and ratings and we will get to the final formula. So, this is what it is about banker is creating. Thank you.

**Matt Macellaro:** Great, thank you. I think both of those responses added to this. Let's go for another question and then maybe we will end it. Let's go. [Eugen?]

**Question:** Do you want to upload the old information residing on hard copies into the new system. If yes, how many documents are subject to this exercise and which will be the way of scanning it?

**Answer:** Okay, the answer that we provided in there from the committee says: Much of the information on shareholders is currently contained in paper based documentation. The uploading and archiving will be determined by the National Bank and will be performed by the National Bank's staff. The data usually relates to the individual personal information, completed questionnaires, bank account statements, agreements, etc. The documents will be OCR scanned PDFs. For unstructured data, the National Bank needs to be able to search through the content and make linkages with other information through the network analysis functionality. Andrei or Elena,

would you like to further this and Ion would you like to say something on it as well? Or is it complete?

**Andrei Burciu:** Yes, I think, the idea is just to understand, for instance, from AML/CFT division, we, if we will insert or if we will upload the old information, it will be probably the reports that we approved in the past. From shareholder perspective, probably it will be uploaded the information that concerns a certain shareholder or a beneficial owner. And some information that exists at the National Bank but is not somehow in either the Central Security Repository or the notification and activation system and that is old and archived here on the paper. So, when the necessary investigation are conducted, and the relevant information will be scanned and uploaded to the system.

**Elena Grumeza:** Those are mainly questioners from the shareholders or letters from different authorities, local, about those shareholders, which are under the investigation. So, we want to be able to upload that information inside the system once a case of investigation is opened.

**Ion Pascaru:** And may I also comment here? I wanted to add that we somehow didn't address the data migration strategy in the RFP. Yeah, this is right. We had a lot of discussions on this topic, and in the end we've decided that for the structured data, we will, well, basically, if you handle to manage the transformation rules and cleansing criteria, it's not an issue about the volumes - until you don't have to enrich some data. But for the unstructured data, we decided that we will upload by ourselves by National Bank team on a need basis. So, if, for example, a case will be open and some information will be needed to be imported into a case, then we will search for the particular information, and we led it to the repository. And what we expect here to have that the system would index all this information and be capable to identify pieces of information like names, amounts, and be able to link these pieces of information in the network analysis functionality. I hope this answers your question. It is very hard in this format. It is hard to guess if it answers or not. But again, if you consider that you need additional explanation, please write by email. Thank you.

**Matt Macellaro:** Thank you, Ion. Very true. It is a bit difficult, as I said at the beginning of this, we truly wish that the conference would have been held in Chisinau or at least in the United States in Virginia. We weren't able to do that. With that, I think I'm going to stop reading the questions. I know there are additional questions. I know from the chat, there are additional questions as well. And I think we will get to all of them. But our time is closely running out, and I'd like to end it on time. And first of all, I'd like to thank all the participants, all the vendors who responded, who have been asking us questions, who responded to the RFI on this. And I really appreciate that it made our job a lot easier, and I hope it made your job somewhat easier.

I also like to thank the presenters today. Andrei, Ion, Elena who answered questions for us. Thomas and Jessica, I appreciate that. I'd like to thank guy in Moldova [Eugen] who kept up to us and flipped all the PowerPoint deck and kept us on track. I appreciate that and I thank you very much. And with that, I think it is the end to our international bidder conference. As Jessica said, if you have additional questions since there were problems with the chat room, please send them in to us today and in the next few days, you know, depending on the volume. [We hope to have them all

back to you by Monday] But let's see if we don't get hit with a lot of big volumes. Again, thank you and we look forward. And if Jessica wants to say something, please do it,

**Jessica Tolliver:** So just quickly, if you could, if you have any additional questions, please do send them to the procurement email address by 5:00 p.m. today, that will be the cutoff that is Eastern Daylight Savings Time. So please do send those by 5:00 p.m. today. We will review all of those received so far in the chat and include those in the Q&A we submit to the IDG website and those we hope to be available by Monday. Thank you.

**Matt Macellaro:** Thank you and goodbye.