

Foreword

Periods of heightened uncertainty have become a defining feature of the global economic landscape, challenging central banks in unprecedented ways. The shocks of recent years – from the Covid-19 pandemic and persistent inflation to volatile financial conditions and geopolitical tensions – have tested the resilience of monetary policy frameworks and the agility of policy responses worldwide. Against this backdrop, central banks have reassessed their analytical tools, decision-making processes and communication strategies to ensure the continued effectiveness and credibility of monetary policy.

This volume offers a unique window into the experiences of central banks across the Americas and beyond, providing a comprehensive view of how institutions have navigated uncertainty in recent times. Drawing on both survey-based evidence and in-depth case studies from individual central banks, the chapters explore the evolving role of scenario analysis, the integration of high-frequency data and expert judgment, and the increasing importance of transparent and adaptive communication. Real-world experiences from 10 countries illustrate the diversity of challenges they face and the range of innovative responses they have developed.

One of the central themes emerging from these contributions is the need for a risk management approach to monetary policy. As the limits of models are exposed in times of heightened uncertainty, central banks are adopting more systematic scenario analysis, broadening their toolkit to include alternative models, and embracing intellectual humility in policy deliberations. At the same time, effective communication has become an indispensable policy instrument. Central banks are placing greater emphasis on clarity, transparency and accessibility, aiming to anchor expectations and maintain trust even when the outlook is clouded by uncertainty.

The chapters also highlight the value of institutional flexibility. Whether through adapting forward guidance, refining inflation forecasts or incorporating new data sources, central banks are demonstrating the importance of being able to respond rapidly as conditions evolve. The collective experience documented here underscores that uncertainty is not an exception but a constant in monetary policymaking. In response, central banks are learning to assess and communicate its implications with greater rigour and openness.

This volume stands as a testament to the power of collaboration and knowledge-sharing within the central banking community. It was brought to fruition by the efforts of the Consultative Group on Monetary Policy (CGMP) with support from the BIS Americas Office over the course of 2025 under the auspices of the Consultative Council for the Americas. It is intended as a resource for policymakers, researchers and practitioners seeking to understand and strengthen the foundations of monetary policy in an uncertain world. By sharing lessons learned and best practices, this volume will contribute to the ongoing development of resilient, credible and transparent policy frameworks that can meet the challenges of today and tomorrow.

Diogo Guillen
Deputy Governor, Central Bank of Brazil
Chair of the CGMP

Alexandre Tombini
Chief Representative
BIS Americas Office