



High-Level Forum on the Modernisation of Monetary Policy Formulation and Implementation

Opening Remarks

by

**Dr. Johnson Pandit Asiama
Governor, Bank of Ghana**

Kempinski Gold Coast Hotel| Monday, 17 August 2026

Director of IMF AFRITAC West 2,
Deputy Governors,
Distinguished Central Bank Officials,
Representatives of the International Monetary Fund,
Colleagues, Ladies and Gentlemen,

It is my pleasure, and indeed a privilege, to welcome you all to Accra for this High-Level Forum on the Modernisation of Monetary Policy Formulation and Implementation.

Permit me, at the outset, to express our sincere appreciation to AFRITAC West 2 for organising this important forum. Over the years, the Centre has been a valuable partner to the central banks in the sub-region, supporting our efforts to strengthen institutional capacity and advance the practice of central banking. We are grateful for this partnership and, particularly, for creating a platform where we can share experiences openly, learn from one another, and collectively reflect on how best to strengthen our monetary policy frameworks.

As I reflected on the theme of this forum this morning, I was struck by the profound influence that a single monetary policy decision can have on the trajectory of an economy

– and, ultimately, on the lives and livelihoods of ordinary people. A policy decision can influence the cost of borrowing for a small business, the purchasing power of a household, the ability of a farmer to finance the next planting season, or the capacity of a petty trader to restock his or her business. It can affect investment, employment, savings and, ultimately, the welfare of citizens.

Monetary policy decisions are therefore both powerful and consequential. And yet, these decisions must often be taken in an environment of considerable uncertainty, frequently with incomplete information and imperfect knowledge about how the economy will evolve. Also, monetary policy is inherently forward-looking; while much of the information available to us describes an economy that has already moved. The task is therefore to identify emerging pressures early enough and form a good view of where inflation and activity are heading.

That challenge has become even more pronounced in recent years. Central banks are navigating a world characterised by repeated and overlapping shocks, heightened geopolitical tensions, volatile commodity and energy prices, changing patterns of global trade and finance, rapid technological advancement, and increasingly complex financial systems.

The experience of the past few years has taught us that shocks can emerge from unexpected sources, propagate rapidly across borders, and interact in ways that are difficult to anticipate. A disruption in one part of the world can quickly translate into higher food and energy prices, exchange-rate pressures, tighter financial conditions, and renewed inflationary pressures in economies thousands of miles away.

For policymakers, therefore, the challenge is not simply to respond to the shock of the day. It is to build monetary policy frameworks that are robust enough to withstand uncertainty, flexible enough to respond to changing circumstances, and credible enough to anchor expectations.

For me, that is what monetary policy modernisation is fundamentally about. It is not only about better models or more instruments to enhance efficiency and ensure effective

policymaking. It is about reducing the distance between the policy we intend, the policy the market understands, and the policy the economy ultimately experiences.

And that is precisely why this forum is so important. We are pleased to host such a gathering that brings together policymakers who, although operating in different institutional and economic environments, are confronted with many of the same fundamental challenges.

Recent Monetary Policy Modernisation Efforts at the Bank of Ghana

Colleagues, permit me to briefly share some of the recent initiatives undertaken by the Bank of Ghana to modernise our monetary policy framework and strengthen the effectiveness of monetary policy formulation and implementation. Our efforts have focused on strengthening both our analytical capabilities and our institutional foundations; and enhancing the credibility and transparency of the framework. But even as we work on these, the financial system through which monetary policy operates is itself changing. Payments are becoming faster and more digital, while new forms of private money are emerging. Stablecoins for example raise important questions for payments, financial stability, monetary sovereignty and potentially monetary transmission.

Let me enumerate some of the key enhancements so far.

First, we have enhanced the MPC's decision-making process. This is because, policymakers can examine the same evidence, attach different weights to the risks, and reach different conclusions about the appropriate policy stance. That makes the decision-making process itself important. A modern monetary policy framework must be able to accommodate legitimate differences of judgment without weakening credibility. Credibility does not require uniformity of views within a Monetary Policy Committee. It requires judgments to be grounded in evidence, the collective decision to be clear, and the institution to be accountable.

Since March 2025, we have transitioned away from a consensus-building approach to a majority-vote decision process, aligning our practices with those of other major inflation-targeting central banks. We now publish individual decision statements of each MPC

member – submissions that clearly articulate the data-driven reasoning underlying their preferred policy direction. This reform moves us from "**behind closed doors**" decision-making to a more transparent, data-driven process that builds credibility by showing the public that our decisions are not arbitrary but grounded in rigorous economic analysis.

Second, we have strengthened our monetary policy communication framework. This matters because communication is not something that happens after monetary policy. It is indeed part of monetary policy. At the start of each MPC meeting, the Governor briefs the media on the context of global and domestic economic developments and highlights the key issues that confront members of the MPC. We have also embarked on a series of post-MPC regional media engagements, with workshops held in many of the regions to strengthen financial journalists' understanding of monetary policy dynamics and curb misinformation and disinformation.

Third, we have recalibrated our monetary policy implementation framework to strengthen the transmission of monetary policy. We have reintroduced the 14-day bill as our main instrument for conducting OMOs, returning to operations at the very short end of the market where central banks are supposed to operate. This shift aims to improve market functioning and enhance the transmission of policy signals.

Alongside this, we have introduced a new Foreign Exchange Operations Framework, which provides a transparent and rules-based approach to foreign exchange operations. The framework clarifies the objectives of our interventions, supports reserve accumulation, and helps reduce excessive volatility while maintaining a flexible, market-determined exchange rate.

Fourth, we are leveraging technology and data analytics for more proactive and precise inflation management. We have adopted a more proactive approach to inflation management, using innovative tools and high-frequency data to strengthen our assessment of emerging price pressures. For instance, our e-inflation measure is computed almost in real time, providing valuable insights into current price developments and strengthening our now-casting and near-term inflation forecasts. These tools allow

us to identify emerging trends more quickly and assess the underlying risks to the inflation outlook.

The objective is clear: to ensure that our policy decisions are guided not by short-term pressures, speculation, or sentiments, but by evidence, a careful assessment of risks, and a forward-looking view of the medium-term outlook for price and financial stability.

Fifth, we have strengthened our legal framework through amendments to the Bank of Ghana Act. Amendments to the Bank of Ghana Act and related reforms have reinforced central bank independence, formalised the mandate and decision-making processes of the MPC, and strengthened limits on monetary financing of the budget. Modernisation is therefore institutional as much as it is analytical or technological.

Finally, we have enhanced our capacity for forecasting and policy analysis to support a forward-looking inflation-targeting framework. We have continued to strengthen the Forecasting and Policy Analysis System supporting our inflation-targeting framework. Our macroeconomic model, the Quarterly Projection Model (QPM), has been upgraded to incorporate sector-specific dynamics and to provide a structured basis for constructing the baseline, testing alternative scenarios and assessing risks around the outlook. These reforms have produced positive outcomes. Inflation, which was significantly elevated not too long ago, declined sharply and overshot the medium-term target.

We share these experiences not as a model for others to replicate, but as one perspective that can contribute to the broader discussion on modernising monetary policy frameworks. The value of peer learning is not to discover a framework to copy. It is to understand what works, why it works, and under what conditions it works.

Conclusion

To conclude, my expectation for this forum is both simple and ambitious: that we leave Accra after these two days with stronger insights, practical ideas that can be applied in our respective institutions, and deeper collaboration among the central banks represented here.

I have no doubt that our discussions will be valuable and that each of us will benefit from the experiences shared. Once again, you are warmly welcome to Accra. I wish you all fruitful and productive deliberations.

Thank you.

PUBLIC