

## Part IV

# Central Banks' Capabilities Upgrade

Part IV takes a deeper dive into the third key area of possible response to the emerging challenges: upgrading of central banks' internal capabilities. Chapter 15 first examines why the central banks might need to upgrade their internal capabilities, especially with respect to mindset, mode of operations and digitalization of their operations. Chapter 16 examines how the central banks might take a more proactive role in embracing innovation through various tools both externally (e.g. sandboxes, innovation hubs, TechSprints) and internally (e.g. innovation labs and related governance).