

BUILDING RESILIENCE THROUGH LEGAL REFORM

As Russia's war on Ukraine continues, the world is reminded daily of the true meaning of the word "resilience". The Ukrainian people, in defending their homeland and continuing with their daily lives while already advancing plans for reconstruction, demonstrate this resilience in every way. The EBRD has long been a dedicated partner of Ukraine through investment and technical cooperation, stepping up its support in this time of greater need.

Looking to the future, the EBRD is preparing to help with Ukraine's reconstruction and to assist with adopting the reforms necessary to support that process. As a demonstration of that readiness, the Bank hosted a conference at its London headquarters in June 2023 to reaffirm its commitment to supporting the resilience of Ukraine's real economy.

With that in mind, this journal's theme is both timely and important, with several contributions containing stories about Ukraine that emphasise how the EBRD Legal Transition Programme (LTP) continues to help implement the types of reforms needed to underpin reconstruction. This includes its work on:

- regulating the critical raw materials sector, which should greatly increase transparency and ease access for investors to valuable information on mining resources in Ukraine, resources essential to both reconstruction and greening, and digitisation of the economy
- creating green procurement processes for public-private partnerships, also crucial for reconstruction
- improving the governance of state-owned enterprises to make them eligible for investment by international financial institutions
- promoting online courts for small claims

All these stories demonstrate the critical role the EBRD can and will play in helping Ukraine not only recover from the war, but build back better.

Besides responding to the challenges in Ukraine, other recent projects in the LTP portfolio have focused on recovering from the post-pandemic economic slowdown and delivering sustainable development and the climate change agenda. In both of these areas, the LTP has made an important contribution towards the Bank's strategic priorities of promoting economic resilience and fighting climate change.

As the world recovers from Covid-19, there are many ways to ensure the economies where we work are resilient and continue to benefit from the lessons learned during the pandemic. In that respect, the LTP plays a catalytic role, with its efforts reflected in the activities that comprise the "virtuous circle" of legal reform, which the Bank has advocated for many years.

This journal reflects on the various activities in this virtuous circle. One story details the LTP's standard-setting activities in the field of public-private partnerships,



where we have published a compilation of model laws and other reference documents. Another article covers assessment activities, in particular a review of the readiness of our countries of operations to implement online courts. Other articles describe our technical cooperation work, through which we advise governments on their reforms.

The work of the LTP continues to make significant contributions to strengthening the investment climate in our regions – an essential point at a time when resources to fund technical cooperation projects are more constrained and the Bank seeks to establish even closer linkages to its investments.

For example, judicial capacity-building activities, public procurement reforms and insolvency law reforms (to name just a few of the LTP's portfolio of activities) provide essential support for private-sector development, in furtherance of the Bank's overarching mission. It goes without saying that a well-trained judiciary facilitates dispute resolution for private investors, solid public procurement regimes limit corruption and quality insolvency systems allow for the orderly liquidation or reorganisation of insolvent companies. All these elements are crucial to the development of a vibrant private sector and sound investment climate.

Beyond supporting the key legal enabling environments for investment in our countries of operations, the LTP's activities create direct value and impact in these economies. The reforms we help put in place catalyse specific investments, such as our work establishing crowdfunding legislation, which governs the platforms used by micro-investors. The investments made on these platforms often amount to millions of euros, demonstrating a strong multiplier effect from the EBRD's intervention.

With that in mind, this journal spotlights the ways that the LTP helps the Bank deliver on its mandate, creating a predictable, transparent and investor-friendly legal environment for business.

Much done, much more to do.

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