



STRENGTHENING ECONOMIC GOVERNANCE

The EBRD has entered a new phase in its efforts to foster sustainable market economies. With the adoption of its Economic Governance Strategy 2026-30, the Bank has reaffirmed that strong, transparent and accountable institutions are central to unlocking investment and delivering lasting transition impact. Economic governance now sits at the heart of the EBRD's strategic framework, reflecting the essential role that legal systems, regulatory frameworks and effective institutions play in shaping market outcomes and building resilient economies.

The strategy has a clear ambition: to deepen impact by promoting systemic change through a more integrated approach combining investment, policy engagement and technical cooperation. Achieving this requires coordinated action across the Bank and a renewed emphasis on embedding policy reform – anchored in robust legal frameworks – at the centre of operational engagement with clients and economies of operation.

The EBRD's Legal Transition Programme (LTP), led by the Office of the General Counsel, is essential to this effort. For more than three decades, the LTP has translated strategic priorities into concrete legal and institutional reforms, ensuring that policy objectives are reflected in laws, regulations and implementation practices. Its mission – to promote a sound legal and regulatory environment for business – is directly aligned with the goals of the Economic Governance Strategy.

As the strategy moves into its implementation phase, the LTP will serve as a key delivery engine, working closely with other Bank units engaged in policy dialogue. This collaboration will ensure that reforms are not only well designed but also embedded in investment operations and sustained over time. More specifically, integrating legal expertise into the Bank's broader policy work will be critical in areas such as corporate governance, financial regulation, public procurement and digitalisation.

The LTP's recent achievements illustrate how legal reform underpins economic governance and enables investment. With its portfolio of technical cooperation projects and initiatives, the programme has delivered tangible outcomes across regions and sectors. These results highlight both the scale of engagement and the importance of legal reform as a driver of the Bank's impact.

A central element of this work has been legislative and regulatory reform. During the past year, the LTP has supported the preparation and adoption of laws

and regulations that improve the business environment and strengthen market institutions. These reforms span financial-sector legislation, corporate governance frameworks, enforcement regimes and public procurement systems, contributing directly to the development of transparent and predictable markets.

Several examples demonstrate this impact. Working in close cooperation with other EBRD units, the LTP has supported the development of factoring and crowdfunding regulations in Jordan, which has expanded access to finance and supported market development. In Ukraine, it has helped to reform the governance of state-owned enterprises, strengthening oversight and transparency in key sectors. And in Mongolia, reforms to laws on enforcement agencies have improved debt recovery and contract enforcement, enhancing legal certainty for businesses and investors. Each of these initiatives shows how targeted legislative reforms can address market constraints and unlock investment opportunities.

These achievements underscore a simple but important point: that economic governance is not advanced through strategy alone, but also through the detailed legal reforms that shape how institutions function in practice. The LTP's comparative strength lies in bridging policy ambition and implementation, ensuring that reforms are both technically sound and practically effective.

This issue of *Law in Transition* reflects those priorities. The contributions examine how legal and regulatory frameworks can drive economic transformation, drawing on experiences across the EBRD's regions. They highlight the importance of coherent legal systems, effective institutions and sustained policy engagement in addressing key challenges, from climate governance to digitalisation and financial-sector reform.

As the EBRD begins implementing its Economic Governance Strategy, the role of legal reform will be more important than ever. The LTP will remain at the forefront of this effort, working closely with colleagues and partners to translate strategy into tangible results. Recent experience demonstrates that well-designed laws and strong institutions are not only enablers of investment but also fundamental drivers of sustainable and inclusive economic development.

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