

Marie-Anne Birken

PROMOTING INNOVATION AND SUSTAINABLE GROWTH THROUGH LAW REFORM

Innovation is rapidly sweeping the globe, and emerging markets are where immense growth and opportunity lie. Finding innovative solutions to complex development challenges is essential, and innovation thrives best when facilitated by an ecosystem of enabling conditions, including predictable and transparent legal rules enforced by a competent judiciary.

The EBRD's Legal Transition Programme has been at the forefront of innovative projects aimed at creating a robust legal environment in the Bank's region. From our work on energy efficiency regulation, through assistance with legal and regulatory strategies for the development of knowledge-based economies, to regulatory frameworks for alternative financing products, such as Sharia-compliant factoring. Our legal reform work also seeks to prepare countries for the rise of new technologies, which in many cases have the potential to help developing countries "leapfrog" the more developed economies. Our projects on electronic procurement regimes, regulation of crowdfunding platforms and blockchain-based smart contracts exemplify our efforts in this

area. The programme also puts a strong emphasis on knowledge sharing through public events, presentations and publications. *The Law in Transition* journal is our annual flagship publication.

Echoing the significance of an investor-friendly legal environment, in his interview for this edition, Suma Chakrabarti, the EBRD President, emphasises the importance of persuading countries that foreign investment relies on improving the business climate, which inevitably entails strengthening the rule of law. This requires the understanding of local circumstances and incentives for stakeholders, which will ultimately determine whether governments will support and prioritise reforms. Under President Chakrabarti's leadership, the EBRD has significantly expanded its policy dialogue activities aimed at promoting reforms in its region, including legal reform.

I trust that everyone with an interest in legal reform will find excellent food for thought in this year's *Law in Transition* journal. I hope it will serve as a useful resource for those who make and influence legal reform policy in transition countries.

MARIE-ANNE BIRKEN
GENERAL COUNSEL, EBRD

