

LEGAL REFORM IN THE TIME OF COVID-19

In 2020 Covid-19 revolutionised the way we live and work. And accordingly, the crisis changed the way international financial institutions provide their assistance. When the pandemic struck, the EBRD rapidly put in place a €4 billion Solidarity Package of crisis-response investments. But the response was not limited to financing; the EBRD also seized the opportunity to reimagine policy dialogue in a global pandemic. Helping governments improve their legal environments for business had to be adapted to the emergency we faced. This led to some new directions – and new opportunities – in our technical assistance activities.

First, the crisis has highlighted the need to accelerate the digital agenda for legal and judicial reforms. The initial few stories in this issue of the *Law in Transition* journal consequently focus on digitalisation: online courts, online mediation, blockchain at the Georgia Ministry of Justice, and e-learning for Armenian judges, to name a few. This reflects a new and exciting orientation in our programme.

In leading the charge for technical assistance for digitalisation, we are directly aligning with the digital transition theme of the EBRD's newly approved Strategic and Capital Framework for 2021-2025. For the judicial sector in particular, online courts will be the next chapter in digitalisation. Online courts can help by improving access to justice during the pandemic, but also by reducing the chronic backlogs of cases that predate the crisis. The EBRD will take a leading role in the economies where it invests to formulate strategies for developing online courts. In the initial phase, the focus will be on small claims courts, which are seen as a good place to debut reforms.

Second, the EBRD's Legal Transition Programme (LTP) has responded to the Covid-19 crisis with an enhanced focus on insolvency law. In the aftermath of the pandemic, many businesses will struggle economically and may become insolvent. In the medium term, countries must enact measures that support these businesses through the turbulent times ahead. The crisis calls for special rules to offer otherwise sound companies a second chance through

financial restructurings. To help achieve this in the economies where we invest, the LTP has launched a new assessment of restructuring regimes, which should allow our specialists to define the most appropriate targets for this technical assistance.

As one additional technical assistance response to the Covid-19 crisis, the LTP has developed projects to advise small and medium-sized enterprises on survival techniques, focused on legal issues arising from the crisis. The team has turned to webinars to deploy this emergency legal advice throughout 2020, and continuing into 2021. It has reached hundreds of small businesses in the Kyrgyz Republic, Moldova, Mongolia and Uzbekistan.

Although the Covid-19 crisis is the main story, it is not the only story in legal reform. The LTP has continued to deliver assistance to governments on a series of commercial and financial law matters, as you will see in the following pieces. In spite of the pandemic – and in some ways because of it – building sound legal systems remains a priority for promoting investment and creating resilient markets.

Excitingly, our work in this year's journal represents a true cross-cutting initiative, covering contributions from specialists across the EBRD. It is especially gratifying to welcome contributions co-authored by EBRD staff outside the Office of the General Counsel, including the Banking Department and the Vice-Presidency for Policy and Partnerships.

We hope this publication will generate debate and encourage policymakers to improve their legislative frameworks and institutions, create more investor-friendly legal regimes and expand their citizens' access to justice. As the United Nations Secretary General, António Guterres, recently said in an address to the General Assembly: "In a global crisis, we must meet the expectations of those we serve with unity, solidarity and coordinated multilateral global action".



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