



USAID CENTRAL ASIA REGIONAL ELECTRICITY MARKET (CAREM)

Enhancing regional cooperation to build a regional electricity market and increase electricity trade

USAID is providing technical assistance and capacity building to the five Central Asian countries to help them create an economically viable Central Asia Regional Electricity Market (CAREM). Through this work, USAID is working closely with the Central Asian governments, donors, and other key stakeholders to establish the technical regulations and institutions needed to maintain a secure and stable regional electricity market.

An integrated regional electricity market will save money, enhance energy security, and economic stability while also facilitating commercial trade transactions and attracting investments in the power sectors of all five Central Asian and neighboring South Asian countries. A regional electricity market will also deploy the lowest-cost electricity from across the Central Asian countries to meet the needs of each country, lowering costs in support of greater economic and social development.

In Central Asia, the creation of a regional electricity market requires the participating governments engage in dialogue and collaboration to strengthen institutions while adopting reforms, rules, market designs, and business models. USAID utilizes a hands-on and collaborative approach to build and maintain trust-based working relationships with the five Central Asian governments to ensure their acceptance and readiness to implement a regional electricity market.

INCREASING ELECTRICITY TRADE

USAID is supporting the Central Asian governments to create the conditions for increasing crossborder flows and supporting regional energy trade by providing tools, technology, and global best practice analysis. USAID has conducted numerous pilot assessments and studies to assess the national and regional economic benefits of regional trade as well as the ability of the region's electricity grid to support increased trade. All assessments and studies have been shared with Central Asian government partners for concurrence to ensure the findings and recommendations are effective tools in building a regional electricity market.

REFORMING THE ELECTRICITY SECTOR

USAID is providing leadership and extensive technical assistance to build the capacities of Central Asian government policy makers and energy specialists in electricity sector governance. USAID has conducted workshops and trainings for Central Asian government policymakers on multiple topics ranging from grid code compliance, regional and national benefits of CAREM, and the fundamentals of electricity markets structure and operation. USAID works to ensure these trainings build the capacities, skills, and knowledge of Central Asian partners to allow them to implement electricity reforms to create a functional and reliable regional electricity market.

DEVELOPING A REGIONAL POWER MARKET

USAID closely collaborates with the Central Asian government partners to develop the necessary tools and analysis that will guide the implementation of a safe, secure, and reliable regional electricity market. To create functional coordination with the governments, USAID formed CAREM working groups to focus on the technical, legal, and market issues that underpin CAREM's implementation. USAID worked with the working groups to draft the CAREM Roadmap and Action Plan, a first-in-region landmark document that will guide all parties to build a regional power market. On October 20, 2020 the Central Asian ministries of energy officially endorsed the Roadmap and Action Plan and agreed to continued work with USAID in implementing CAREM.

FOR MORE INFORMATION:

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CAREM

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