



**United States Department of State  
and the Broadcasting Board of Governors  
Office of Inspector General**

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**Inspection of Embassy Astana  
and Embassy Branch Office Almaty, Kazakhstan**



OIG's inspection of Embassy Astana found that one year after a challenging move from Almaty, the embassy was still functioning in a start-up mode, and there were still rough edges to the operation. The policy objective of reorienting U.S. policy in Central Asia to focus on north-south linkages rather than the historic ties to Russia and Europe is an uncertain experiment. This change requires crossing bureaucratic lines in the Department of State in terms of

programmatic control, policy direction, and regional support.

Twenty-seven percent of Department direct-hire Americans at Embassy Astana were entry-level officers. Several others were new to the jobs to which they were assigned. Heavy reliance on inexperienced employees is a potential vulnerability. In terms of number of staff, Embassy Astana should be more rigorous in evaluating relevant functions before requesting or approving increases in American direct-hire employees.

Almaty is the cultural, commercial, financial, and transportation center of the country, and the U.S. government should have a continuing presence in that city. At the time of the inspection, Almaty was the logical center for U.S. government regional operations in Central Asia. There were persuasive reasons for Almaty to be the location of the regional offices of USAID, Foreign Commercial Services, and the Centers for Disease Control. Potentially these will be joined by staff from the Drug Enforcement Administration

Geographic isolation and a harsh climate were among factors that hampered recruitment of American staff for Embassy Astana. The availability of more lucrative employment in the private sector complicated recruitment/retention of locally employed staff. The U.S. government was a marginally competitive employer in Kazakhstan.

Staff morale was mixed. American staff who worked previously in Almaty tended to be unhappy. Colleagues who came first to Astana appeared more willing to deal with the challenges of living and working in the frontier atmosphere of a new embassy in an essentially new city. The morale of the locally employed staff including both those transferred from Almaty or recruited in Astana was relatively low.

## Background:

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In 1997, the President of Kazakhstan determined that the capital would be relocated from Almaty in the far southeastern part of the country to Astana deep in the steppes of Central Asia. The progressive transfer of the central government to the new capital foreshadowed the parallel move of the U.S. embassy to Astana, starting in 2003 and culminating in the

formal move in September 2006. Astana is an austere environment. There are few public amenities and infrastructure is rudimentary. Winters are long and harsh with temperatures consistently below freezing from November to May, often as cold as -40 degrees Fahrenheit. Geographic isolation and high cost of air transportation discourage travel to more congenial locales.

U.S. economic assistance to Kazakhstan is declining as the country realizes growing revenues from its natural resources, especially oil. Overall assistance to Kazakhstan has declined from \$88.43 million in 2006 to an estimated \$70 million in 2007. As much as \$40 million is from the Department of Energy for nuclear nonproliferation programs. Freedom Support Act funds that comprised the bulk of the request have declined each year, from \$24.75 million in 2006 to \$20 million in 2007. The availability of Freedom Support Act funds in the future seems destined to decline further.

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