



Integrated Country Strategy

Hungary

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1. Chief of Mission Priorities

Hungary is a valuable U.S. ally and partner whose geographic position in the heart of Central Europe makes it key to U.S. efforts in the broader region. An improved and improving relationship with Hungary is in the United States' interests, and will help the West compete for strategic influence in Central Europe, Eastern Europe, and the Balkans, while creating opportunities for economic engagement that can benefit American firms and workers. At the same time, promoting American values will help ensure that Hungary remains a strong and stable U.S. ally for years to come.

Hungary has provided valuable support to the United States by sending troops to participate in numerous overseas missions, including in Afghanistan and Iraq. The GOH has committed to reach its NATO spending commitments by 2024 or sooner, and is working to improve military and security cooperation with the United States. Hungary also supports numerous U.S. foreign policy objectives both on its own and as a member of NATO, the EU, and other international organizations.

In recent years, developments in Hungarian politics have strained the relationship, as the United States has raised concerns regarding legal and social changes in Hungary that threaten the rule of law, civil society, the independence of the media sphere, the integrity of politics, the transparency of the business climate, and tolerance for minority groups — those Western democratic principles that strengthen our relationship and alliance based on shared values. Our Mission remains committed to addressing these problems and protecting our shared democratic values as Transatlantic allies. By engaging robustly with the GOH on these and other issues, we hope to create positive momentum in our relationship and to build upon the strongest elements of cooperation between the United States and Hungary to ensure Western values go hand-in-hand with Hungary's Western geopolitical orientation.

1. Hungary contributes with increasing significance to U.S. security and policy priorities.

Hungary contributes to U.S. military and security priorities within and beyond its borders, and can be a valuable partner for supporting U.S. positions in international fora, including within the EU. We will encourage Hungary to play a more active role in regional and global organizations, and to use its influence in frameworks including the EU, the Visegrad Group, and the Three Seas Initiative to bolster our common defense, resist malign influence, and help achieve other U.S. policy objectives. As new and old powers to the East strive to sap U.S. influence, including in Central Europe, we will work with the GOH to ensure Hungary remains committed to its Western geostrategic orientation, including in the security, economic, energy, and political realms.

2. Hungary adopts and maintains economic policies that strengthen Transatlantic trade, investment, and security relationships

The United States is Hungary's largest non-EU trading partner, and hundreds of businesses are active in Hungary. Our Mission will seek to promote GOH policies that improve the business climate and ensure U.S. firms can compete on a fair basis, while reducing the prevalence of corrupt practices that disadvantage the United States and threaten the stability of Hungarian politics. We will encourage the GOH to pursue a macroeconomic strategy that protects the Hungarian economy's long-term health and anticipates changes in EU funding patterns, European supply chains, and technological developments.

Our Political-Economic Section will work closely with our Foreign Commercial Service (FCS) office to monitor developments in the Hungarian economy and specific cases affecting U.S. businesses, and will collaborate to bolster the economic ties between the United States and Hungary. FCS's valuable expertise will allow Post to effectively advocate for U.S. firms and to encourage greater trade and bilateral investment in support of the President's National Security Strategy. The Regional Environmental, Science & Technology and Health Hub for Central and Eastern Europe will continue to work with local and regional stakeholders to promote transboundary cooperation on natural resource management, energy diversification and countering environmental crime, leveraging Hungary's ambition to be a leader in sustainable development goals.

3. Hungary preserves Western principles by upholding rule of law, reaffirming its commitment to democratic governance, and respecting the liberty of individuals and communities.

Through a whole-of-Mission approach that includes robust engagement with the Hungarian Government, we will continue to emphasize the United States' commitment to core democratic values that bind the Transatlantic alliance together and create stable, inclusive societies less vulnerable to malign actors. These values promote tolerance, an independent judiciary, freedom of speech, an open and pluralistic media environment, free and fair democratic elections, and protection of the rule of law. We will continue our close engagement with governmental and nongovernmental partners to encourage good governance, including: the protection of democratic institutions, the development of a healthy civil society, the ability of citizens to dissent, a vibrant free press environment that facilitates a steady flow of accurate information, and an electoral system accessible to all parties and fair to all voters. The public procurement system and political party financing, both widely believed to contribute to the problem of corruption, are additional areas where we have an opportunity to offer constructive alternatives in order to promote transparency. As strong countries have inclusive societies, the Embassy will also continue active engagement in helping to fight anti-Semitism, improve gender equality across sectors, and build tolerance through advocacy and direct engagement with government leaders, as well as through programmatic cooperation with Roma and Jewish organizations and other NGO partners.

Enable success by maximizing resources to support the Mission.

After the March 2015 consolidation of Mission Budapest operations into one compound, Mission Budapest plans to improve warehouse and facility maintenance operations to lower lease costs, increase energy efficiency to lower utility costs, and expand regional services including training courses to maximize space and support regional initiatives. To maintain and increase efficiency, Post will also continue to address the issue of LE staff recruitment and retention, pushing for competitive wages and benefits that are crucial to maintaining adequate staffing levels. With full staffing, the Management section can continue to enhance and improve operations, revise processes and internal controls, and focus on the professional development and training of our workforce.

2. Mission Strategic Framework

Mission Goal

Goal 1: Hungary contributes with increasing significance to U.S. security and policy priorities.

Mission Objective 1.1: Hungary reaffirms its commitment to Western alliance cohesion by deepening the bilateral defense relationship, increasing Hungary's contributions to NATO, and strengthening NATO as an institution.

Mission Objective 1.2: Hungary implements domestic and international measures that secure borders in the United States and mitigate terrorist and transnational criminal activity worldwide.

Mission Objective 1.3: Hungary supports and complies with economic and political efforts to strengthen the Western alliance, increase cooperation against active measures from Russia and other malign actors, and bring about peaceful resolutions to conflict.

Mission Objective 1.4: Mission engagement with the Government of Hungary strengthens the protection of U.S. citizens and their interests in Hungary.

Goal 2: Hungary adopts and maintains economic policies that strengthen Transatlantic trade, investment, and security relationships.

Mission Objective 2.1: Hungary fosters an equitable and transparent economy that increases U.S. prosperity and security and creates opportunities for increased Hungarian foreign direct investment in the United States.

Mission Objective 2.2: Hungary participates actively in regional efforts to increase European and Hungarian energy security through the development of an integrated market with multiple, secure energy sources and routes, with a focus on natural gas pipelines.

Goal: Hungary preserves Western principles by upholding rule of law, reaffirming its commitment to democratic governance, and respecting the liberty of individuals and communities.

Mission Objective 3.1: Hungary resists malign influence and facilitates U.S. business interests by strengthening law enforcement cooperation, fighting corruption, respecting the rule of law, and strengthening independence of its oversight bodies and judiciary.

Mission Objective 3.2: Hungarians demonstrate an increased understanding of and appreciation for American values through consistent Mission-initiated engagement on key tenets such as democratic governance, rule of law, civic participation, free markets, entrepreneurship, and tolerance of diversity.

Mission Objective 3.3: Hungarians are empowered to resist disinformation and meaningfully participate in civic life based on Western principles through a more effective and robust independent media sphere and greater understanding of the disinformation threat.

Management Objectives

1. Improve the Mission's working environment and ability to achieve Mission objectives through the optimal utilization of our Chancery compound to include a major renovation of the North Chancery Building and acquiring a new warehouse.
2. Support Department goals by considering options to expand regional services offered from Mission Budapest.
3. Support Department goals towards effective use of resources by seeking new energy efficient means to operate our Mission facilities.
4. Continue to provide top quality ICASS support services by maintaining staffing levels

3. Mission Goals and Objectives

Mission Goal 1: Hungary contributes with increasing significance to U.S. security and policy priorities.

Description and Linkages: One of the Mission's top policy priorities is upholding and strengthening the Transatlantic Alliance through increased defense and security cooperation with Hungary, a key transit country from the East and from the South. Working closely with the GOH as an advocate and partner in U.S. policy initiatives ensures that Hungary leverages its geographical and political placement to uphold and strengthen the NATO Alliance, advancing Euro-Atlantic integration, peace, and stability. This goal draws on priorities established by the EUR Joint Regional Strategy framework, the EUR regional plan, the National Security Strategy, and the National Defense Strategy.

Mission Objective 1.1: Hungary reaffirms its commitment to Western alliance cohesion by deepening the bilateral defense relationship, increasing Hungary's contributions to NATO, and strengthening NATO as an institution.

Justification: Hungary is a NATO ally geographically located in a key region that is vulnerable to malign influence. The GOH's demonstrated commitment to NATO membership and the U.S.-Hungary security relationship reinforces the Western alliance, promotes peace through strength, and fortifies Western values in the region. The Mission will accomplish this objective through increased government-to-government engagement at every level on the importance of shared security priorities; consistent military engagement and training; encouragement of the GOH's increased strategic defense spending; and targeted messaging on the U.S.-Hungary security relationship.

Mission Objective 1.2: Hungary implements domestic and international measures that secure borders in the United States and mitigate terrorist and transnational criminal activity worldwide.

Justification: Though the threat of homegrown terrorism in Hungary is low, Hungary's status as an entrance point into the European Union for transiting terrorist and criminal travelers presents law enforcement and security challenges. The GOH's strong law enforcement relationship with the Mission helps mitigate these challenges, but inadequate security protocols in Hungary's internal immigration procedures threaten U.S. border security. Continuing and strengthening law enforcement cooperation will bolster U.S. national security and secure Europe's Eastern and Southern frontiers.

Mission Objective 1.3: Hungary supports and complies with economic and political efforts to strengthen the Western alliance, increase cooperation against active measures from Russia and other malign actors, and bring about peaceful resolutions to conflict.

Justification: Hungary is a member of key multilateral organizations and institutions that determine the direction of international foreign policy.

Mission Objective 1.4: Mission engagement with the Government of Hungary strengthens the protection of U.S. citizens and their interests in Hungary.

Justification: Justification: Given the risk of terror attacks in the region, and Hungary's status as a major tourist destination for American citizens, key activities which establish closer contacts with local authorities and strengthen Post's methods of communication with private U.S. citizens will enhance consular crisis preparedness.

Mission Goal 2: Hungary adopts and maintains economic policies that strengthen Transatlantic trade, investment, and security relationships.

Description and Linkages: The Mission works to strengthen the Transatlantic trade and investment relationship and increase American prosperity by prioritizing a thriving trade relationship with Hungary; encouraging Hungarian investment in the United States; and supporting market-oriented economic and governance reforms that reduce Hungary's vulnerability to economic coercion. This goal draws on principles established by the EUR Joint Regional Strategy Framework and the National Security Strategy.

Mission Objective 2.1: Hungary fosters an equitable and transparent economy that increases U.S. prosperity and security and creates opportunities for increased Hungarian foreign direct investment in the United States.

Justification: The U.S.-Hungary trade relationship is strong, and the GOH has political will to keep it strong. Hungary's economy presents opportunities for U.S. exports and Hungarian investors in the United States, but corruption continues to limit the upside potential. The Mission's continued efforts to discourage corruption while strengthening the bilateral trade and investment relationship will help grow both the Hungarian and U.S. economies, while promoting transparent U.S. business practices.

Mission Objective 2.2: Hungary participates actively in regional efforts to increase European and Hungarian energy security through the development of an integrated market with multiple, secure energy sources and routes, with a focus on natural gas pipelines.

Justification: Russia supplies 80 percent of Hungary's oil and gas, which gives Russia both political and economic leverage over Hungary. The GOH is working to diversify its sources of supply, and has expressed support for pipelines to bring in gas from Romania and from a planned liquefied natural gas (LNG) terminal in Croatia that could deliver U.S. gas. These and other energy diversification projects, however, will require constant U.S. engagement to ensure they remain a GOH priority.

Mission Goal 3: Hungary preserves Western principles by upholding rule of law, reaffirming its commitment to democratic governance, and respecting the liberty of individuals and communities.

Description and Linkages: Through engagement and programming, the Mission prioritizes support of democratic governance and respect for individual liberty through tolerance, in order to preserve and strengthen Western democratic principles; increase Euro- Atlantic integration; and reduce vulnerability to malign influence. This goal draws on principles established in the EUR Regional Plan, the National Security Strategy, and the EUR Joint Regional Framework.

Mission Objective 3.1: Hungary resists malign influence and facilitates U.S. business interests by strengthening law enforcement cooperation, fighting corruption, respecting the rule of law, and strengthening independence of its oversight bodies and judiciary.

Justification: Although nominally independent, rule of law and civil society experts raise concerns that judicial independence in Hungary is weakening as the GOH seeks to increase control over judicial and prosecutorial processes. The Mission will continue to engage the GOH on the importance of an independent judiciary, provide law enforcement training, and conduct public counter-corruption outreach in order to create public demand to fight corruption and provide law enforcement with the tools to identify and prosecute corrupt actors.

Mission Objective 3.2: Hungarians demonstrate an increased understanding of and appreciation for American values through consistent Mission-initiated engagement on key tenets such democratic governance, rule of law, civic participation, free markets, entrepreneurship, and tolerance of diversity.

Justification: Recent polls have found that an increasing number of Hungarians, especially those that support the governing Fidesz Party, favor Russian over U.S. influence. A laissez faire attitude toward corruption and general ambivalence toward eroding democratic norms and independent institutions creates an opening for malign actors such as Russia and China to gain further influence in the region and to drive a wedge between Hungary and the Western institutions in which it participates. Post will seek to reverse this trend through consistent and countrywide public outreach, promotion of transparency and counter-corruption initiatives, and education programs. One of the most effective ways to promote understanding of U.S. values is to facilitate legal travel to the United States. Post will work to strengthen and preserve Hungary's participation in the Visa Waiver Program and facilitate travel and study in the United States.

Mission Objective 3.3: Hungarians are empowered to resist disinformation and meaningfully participate in civic life based on Western principles through a more effective and robust independent media sphere and greater understanding of the disinformation threat.

Justification: Hungary's media space is shrinking, but social media use is above average, and the Hungarian public is generally receptive to the American message, as well as supportive of NATO and Euro-Atlantic integration. Through the Mission's encouragement and facilitation of an increasingly diverse media landscape with multiple sources, the Hungarian public will be less susceptible to politicized narratives that undermine the Transatlantic alliance and Western democratic principles.

4. Management Objectives

Management Objective 1: Improve the Mission's working environment and ability to achieve Mission objectives through the optimal utilization of our Chancery compound to include a major renovation of the North Chancery Building and acquiring a new warehouse.

Justification: The March 2015 consolidation of Mission Budapest operations into one compound, attaching a newly acquired office building to the existing Chancery, which allowed post personnel to collaborate more productively and efficiently. Mission Budapest anticipates the next phase will involve revamping warehouse and Facility Management operations to lower lease costs and maximize usable space in the lower levels of the Chancery and a major renovation of the North Chancery building to double the secure areas through better utilization of available space on the upper floors.

Management Objective 2: Support Department goals by considering options to expand regional services offered from Mission Budapest.

Justification: Since commissioning of our newly acquired building, post has sufficient space to expand regional services offered from Budapest. Post has a purpose-built training center that is currently used to host FSI, DS and IRM sponsored training courses,

and would have the ability expand training opportunities for the region in coordination with the Bureau and Regional Services Center (RSC) Frankfurt. Management will continue to aggressively seek training opportunities for post's employees and support professional development locally of our employees within available resources

Management Objective 3: Support Department goals towards effective use of resources by seeking new energy efficient means to operate our Mission facilities.

Justification: Pursue new, cost-effective, energy efficient means to operate our Mission facilities. In partnership with OBO, post would pursue facilities projects to improve our energy efficiency and lower utility costs, especially in a region where changing patterns of energy dependency is an economic and political priority.

Management Objective 4: Continue to provide top quality ICASS support services by maintaining staffing levels

Justification: Post will continue to address the issue of LE staff recruitment and retention in order to ensure Management's ability to provide ICASS support up to service standard levels. Competitive wages and benefits are crucial to maintaining adequate staffing levels to provide those services, therefore Post will monitor comparator wages and benefits to maintain our place in the labor market and address the issue as necessary. With full staffing the Management section can continue to enhance and improve operations, revise processes and internal controls, and focus on the professional development and training of our workforce.