SUB-COMMITTEE ON
DEMOCRATIC GOVERNANCE
(CDSDG)

SUB-COMMITTEE ON
TRANSATLANTIC DEFENCE AND
SECURITY COOPERATION
(DSCTC)

MISSION REPORT

Budapest, Hungary and Prague,
Czech Republic

1-4 October 2018

I.   INTRODUCTION

1.   A delegation from the NATO Parliamentary Assembly visited Hungary and the Czech Republic from 1-4 October to learn more about these two Central European Allies' efforts to prove their commitment to the transatlantic Alliance's new initiatives.

2.   "Hungary has a very strong and committed view of the West and seeks to work to defend and strengthen it," said **Zsolt Németh**, Chairman of the Foreign Affairs Committee of the Parliament of Hungary. This sentiment was echoed in Prague: "The Czech Republic is doing its part to consolidate Alliance unity – we have come a long way since the wake-up call of 2014, and we still have much more to do," **Jaromir Jahoda**, a representative of the Czech Ministry of Defence told the delegation.

3.   Though they currently spend only approximately 1.1% of their respective GDPs on defence, government officials in Budapest and Prague reassured the visiting delegation their countries have plans to almost double defence spending by 2024. Both Hungary and the Czech Republic are also engaged in programmes to modernise their armed forces, replace out-dated Soviet equipment and hone their abilities in specific domains such as cyber or in countering weapons of mass destruction.

4.   Hungary and the Czech Republic consider themselves to be at the forefront of protecting the Schengen zone against the challenge of illegal migration. As Zsolt Németh noted: "When we defend NATO's and EU's borders with billions of Euros, this is solidarity – we seek to respect the legal norms and protect our common community." While the actual number of people attempting to cross the borders is currently low, the issue is being exploited heavily in the political scene of both countries.

5.   Both Czech and Hungarian interlocutors warned the delegation of the dangers of Russia's use of hybrid tactics – such as disinformation campaigns, economic bullying, and election interference – to disrupt, weaken, and undermine the governments of Central Europe.

6.   In meetings with lawmakers, academics from the Central European University, and journalists from Radio Free Europe/Radio Liberty, NATO parliamentarians discussed current challenges to media freedom and human rights in Central and in Eastern Europe.

7.   The delegation also visited the Joint Forces Command of the Hungarian Defence Forces, the NATO Force Integration Unit (NFIU) in Hungary as well as NATO Joint Chemical, Biological, Radiological and Nuclear Defence Centre of Excellence in Vyskov, Czechia.

8.   The delegation consisted of 23 legislators – representing 11 NATO states – members of two Assembly Sub-Committees: on Democratic Governance (Chairman Vitalino Canas, Portugal) and on Transatlantic Defence and Security Cooperation (Chairman Lord Campbell of Pittenweem, UK).

II.   HUNGARY

NATO Commitment

9.   Deputy Speaker of the Hungarian parliament and former Defence Minister **Csaba Hende** reassured the visiting NATO PA delegation that Hungary is determined to implement its commitments under NATO's Defence Spending Pledge. The benchmark of 2% of GDP on defence will be reached by 2024, as planned. In 2019, the defence budget is expected to reach 1.17% of GDP. Due to the growing share of GDP allocated to defence and as a result of rapid economic growth, Hungary's defence budget has doubled in the last three years. The country is also committed to spending 20% of its defence budget on equipment and capabilities by 2019, the Deputy Speaker said. Hungary has been one of the main contributors to NATO's KFOR mission in Kosovo. Hungary led the Baltic Air Policing mission in 2012 and will lead it

again in 2019. The country has recently decided to double the number of its special forces deployed in Afghanistan (currently 112 soldiers); Hungary is also contributing financially to the training of Afghan security forces. Currently, almost 1,000 Hungarians are participating in NATO-, EU- or UN-led missions.

10.   Member of the opposition **Márta Demeter** argued, however, that the current commitment to increase the defence budget by 0.1-percentage point would not be sufficient to achieve the 2% benchmark in time. She was also concerned that the mechanisms of parliamentary oversight of the defence sector are not working properly.

11.   Deputy Speaker Csaba Hende noted that support for NATO and EU membership remains high among Hungarian citizens – around 70% vis-à-vis both organisations. He stressed that Mr Orban's government has been a long-time advocate for stronger European defence co-operation. PESCO and other initiatives in this area are wholeheartedly welcomed by Hungary, Mr Hende and other Hungarian interlocutors told the delegation.

12.   **Csaba Vezekényi**, Deputy State Secretary for Defence Policy, Ministry of Defence of Hungary, presented Hungary's assessment of threats the country is facing. He stressed that Hungary is located in the intersection of Southern and Eastern challenges and that the number and complexity of security risks (including overpopulation, degraded environment, unstable and failed states, wars, proliferation of weapons of mass destruction, massive and illegal migration, cyber threats, spreading of militant Islamism in the Balkans, and the conflict in eastern Ukraine) is growing. Furthermore, the Hungarian government does not expect significant positive trends in the security environment in the short term. Despite the deteriorating security environment, the government and the military are committed to keeping Hungary one of the safest countries in the world by systematically developing defence capabilities and contributing to international missions.

Defence Capabilities and Modernisation

13.   Hungary's new defence modernisation programme, dubbed Zrínyi 2026, is reportedly on schedule. Its main objective is to create agile and modern armed forces capable of ensuring Hungary's safety and better contributing to international operations. The programme consists of two main pillars: 1) human resources modernisation, and 2) technical aspects of modernisation.

14.   In terms of human resources, the programme aims to offer attractive career opportunities, modernise bases, develop patriotic and defence education and expand the voluntary reservist system. According to Deputy State Secretary Vezekényi, since the 2015 migration crisis, the understanding of the importance of defence has grown in society. More people joined professional military service. By 2026, the reserve forces are expected to number 12,000 people.

15.   In terms of military technology and equipment, the programme will see an overhaul of Hungary's land and air forces with the purchase of a suite of new All-Purpose Vehicles (APVs) and tanks, as well as both fixed and rotary wing aircraft, while phasing out obsolete and legacy equipment. Deputy Speaker Csaba Hende informed the delegates that when it comes to air power, Hungary chose to lease Swedish Gripen fighter aircraft – replacing Soviet MiG-29s – that are reliable and interoperable with NATO systems.

16.   The structure of the armed forces will be based on the "3 brigades" concept – namely special operations forces brigade, infantry brigade (by 2023) and heavy infantry brigade (by 2028). These brigades will be NATO compatible. Hungary also plans to invest in the rebuilding of its defence industry.

17.   In terms of regional defence cooperation, Hungary initiated the creation of a Headquarters Multinational Division – Centre (HQ MND-C) with potential participation of Croatia, Slovakia, Slovenia and Germany. Once operational in 2022, it is expected to serve as catalyst for regional defence cooperation and reinforce the east-west and north-south connection. Other examples of regional defence co-operation include Vysegrad Group's EU Battlegroup, Central European Defence Cooperation (CEDC), Defence Cooperation Initiative (DECI) and Tisza Multinational Engineer Battalion.

18.   The Assembly delegation visited the Hungarian Defence Forces Joint Forces Command (JFC) and the NATO Force Integration Unit (NFIU) Hungary. Delegates were briefed on JFC roles and functions on both operational and tactical levels. These include defence planning, command and control, as well as capability development. In addition to traditional objectives, such as home defence and fulfilment of NATO and other international obligations, Hungary's military also has a mandate to manage crises caused by mass migration as well as in areas such as disaster relief, search and rescue and protection of critical infrastructure. JFC officers provided a detailed overview of Hungarian deployments in international missions.

Hybrid and Cyber Threats

19.   Two academics from the Central European University, **Alexander Astrov** and **Anatoly Reshetnikov** discussed the Kremlin's use of hybrid tactics. They argued that Moscow has realised that hybrid tactics – i.e. the use of instruments outside of hard power to exert influence – is an efficient way to promote its national interests. Russia does not have the resources to export its political system – the "strongman" model – but it does not have to, as this model is spreading across the world anyway. Ongoing institutional crises in parts of the Western world facilitates the use of hybrid tactics by Russia, Hungarian academics argued. Russia does not need to push a specific agenda, the goal of its industrialised political trolling is to flood the information space with conspiracy theories and fake news, thereby neutralising genuine political voices. However, the speakers warned about the risk of blowing the Russian hybrid threat out of proportion and making the Kremlin more powerful than it actually is.

20.   The delegation was also briefed on tasks and responsibilities of the National Cyber Security Center of Hungary (ECSM). The Center is responsible for the tackling of the cyber incidents, but its experts also involved in data gathering and analysis, probing for vulnerabilities as well as preventive and supportive activities, such as raising awareness and conducting exercises. Governmental networks face somewhat different types of cyber threats, including advanced persistent threats (APTs) that are linked with foreign governments. Problems of attribution in cyberspace remains a serious challenge – it could take a long time to attribute the source of the attack. ECSM is relatively successful in mitigating cyber threats for Hungary, mainly because of close cooperation with the private sector and a proactive approach to interagency information sharing.

Regional Issues

21.   Zsolt Németh, Chairman of the Foreign Affairs Committee of the Parliament of Hungary, stressed that stability in the Balkans is a priority for Hungary. He was concerned about the low turnout in the referendum on the name change in a country that, at that time, was referred to as the former Yugoslav Republic of Macedonia. He stressed the need for the Euro-Atlantic community to continue supporting Skopje and Athens in implementing the name deal.

22.   When it comes to relations with Russia, Mr Németh noted that Hungary fully supports NATO's dual-track approach (defence/deterrence and dialogue). Hungary is developing economic relations with Russia, particularly in the field of energy.

23.   Mr Németh noted that, in Hungary's view, democracy in neighbouring Ukraine was deteriorating. In particular, Hungary strongly criticises the new law on education, which, according to Budapest, violated the rights of ethnic minorities, including Hungarians living in Western Ukraine. Until the law is changed, Hungary will block meetings of the NATO – Ukraine Commission at the ministerial level.

Migration

24.   In recent years, illegal migration has been elevated to the top of the security and political agenda in both countries. Hungary and the Czech Republic consider themselves to be at the forefront of protecting the Schengen zone against this challenge. As Zsolt Németh noted: "When we defend NATO's and EU's borders with billions of Euros, this is solidarity – we seek to respect the legal norms and protect our common community." While the actual number of people attempting to cross the borders is currently low, the issue is being exploited heavily in the political scene of both countries.

25.   Deputy Speaker of the Hungarian parliament Csaba Hende noted that, faced with high numbers of migrants attempting to cross the Hungarian border in 2015 (some 400,000 according to one Hungarian official), Budapest has urgently made changes to the home defence act, giving the mandate to Hungarian armed forces to patrol the border. Mr Hende stressed that the involvement of the military in this situation did not affect Hungary's contribution to NATO.

26.   According to Mr Hende, the majority of people trying to reach Europe in 2015 were economic migrants, fleeing poverty and the lack of prospects at home. He noted, however, that many of them came from what could be called the middle class in the developing world, as they had means to pay the smugglers. Facilitating their settlement in Europe would only further deplete the middle class in their countries of origin and exacerbate poverty there, he argued. He also noted that while Hungary was a transit country and could have let migrants continue on their journey to more prosperous European countries, it took the responsibility to protect the Schengen borders.

Democracy and Human Rights

27.   NATO Parliamentarians asked Hungarian counterparts for comments on the European Parliament resolution expressing concern about the state of the rule of law in Hungary. Opposition MPs **Ágnes Vadai** and **Attila Mesterházy** highlighted the important role of the rule of law when considering security challenges and noted that progressive forces are challenged across the entire European continent. Zsolt Németh argued, however, that the accusations against Hungary are baseless and that Hungary remains committed to democratic values and solidarity of the Euro-Atlantic community. He stressed that the way Hungary is presented in Western media does not reflect reality. "Don't believe what you read, believe what you see", Mr Németh said.

28.   The NATO PA delegation visited the headquarters of the Central European University (CEU) in Budapest, an institution founded in 1991 by such notables as Vaclav Havel, and other central European political leaders. **Michael Ignatieff**, CEU President and Rector, and **Liviu Matei**, Provost and Pro-Rector, noted that the mission of this private university is to create a space for Central European students to come together, study and research in order to understand the history, politics and economics of the region. Significant funding is received from the EU – some 15%. CEU representatives discussed the difficulty the university has had with the Hungarian government over the status of the university. To continue operating in Hungary, a bilateral agreement between Hungary and the USA had to be signed. The CEU has complied with the new requirements and was expecting the legal issues to be resolved in good faith.

III.   CZECH REPUBLIC

Cyber Domain Challenges

29.   **Richard Kadlcak**, Director of the Cyber Security Department and Special Envoy for Cyber Space at the Czech Ministry of Foreign Affairs, kicked off the Prague-end of the delegation's visit with a presentation on the challenges of cyber readiness. Mr Kadlcak told the delegation that cyberspace is the new domain with the most potential to broadly destabilise international relations. He began by noting how difficult it is to apply international standards to the cyber domain. Historical experience is lacking, further complicating things. Cyberspace more broadly, he continued, challenges all historical experiences which may be used as a comparison for the measure of disruption the new domain may cause. New cybertechnologies are outpacing regulation, strategy and doctrine, and there are no shared interpretations or understanding of cyber capabilities.

30.   Key characteristics and challenges he outlined were that cyber is omnipresent but not always threatening; there is a dual-use nature of the technology; it is widely understood to be a new military operational domain; cyber capabilities of small-to-large states can be difficult to measure, and the domain is still largely without comprehensive rules and regulations. Added to this, he said, were the enormous amounts of asymmetries present in the domain: a cyberattack can be launched without the victim being aware of it; attack attribution is often very difficult (and sometimes impossible); offence is easier than defence; small actors can have an outsized impact; and, the cyber domain reinforces the role of non-governmental actors, while overshadowing state structure.

31.   The key cyberthreats to all Allies, he said, were the growing proliferation of cybercrimes, from the weakening of state institutional capacity to direct damages, both material and human. He told the delegation that the Czech Republic's national security audit had identified cyber espionage, IT infrastructure disruption, hostile disinformation campaigns, disrupting or diminishing resistance of government's cyber capabilities, and cyberterrorism as key state concerns to the government in Prague.

32.   He continued by noting the wide range of potentially disruptive cyber actors from governments to NGOs to proxy groups and activists and criminal groups. He said the illegal malware market, for example, is now estimated to be worth over USD 7 billion. This amount of available money creates lucrative black-market opportunities. As Mr Kadlcak told the delegation, "you invest little and you can get a lot in return!"

33.   The biggest challenge for NATO states, he said, would be *advanced persistent threats*, which are attacks launched by governments and are expensive, therefore demanding a lot of coordination. He said many states are now investing significant amounts of their research and development budgets to refine their capabilities in such attacks and, thereby hone their abilities to incorporate offensive cyber capabilities. There is confidence such abilities, if used as an offence tactic, can not only give the user significant information and advantage but also inflict widespread infrastructural damage on adversaries. The key problem with these kinds of attacks, he concluded, is they are very difficult to detect. He cited a few examples perpetrated by the Chinese government and warned of the capability becoming increasingly used in international competition. As a result, he urged Allies to step up their cooperative efforts in the cyber domain.

34.   Dr **Benedikt Vangeli**, Director, Security Policy and Crime Prevention Department, then gave an overview of the broader security situation in the Czech Republic, with a focus on the challenge the nation is having with countering hybrid threats. He told the delegation there were two major perceived threats: a near-term terrorist attack (which he also explained has never happened), and a long-term effort by Russian intelligence services to undermine the state via

any form of hybrid tactic - from disinformation campaigns to economic bullying, to the undermining of the republic's democratic institutions - that may be successful. The second, he noted, would be the focus of his presentation. Public fears about terrorism, though unfounded, are driving significant efforts to prevent the first from taking place. A key challenge with fears of terrorism, he said, was that it was creating an irrational fear of migrants, etc. in the population.

35.   Russia's ability to cause significant disruption via hybrid tactics, however, is a real threat. This is largely due to the relatively low level of digital and media literacy in the Czech Republic, he said, which makes external probing and attacks easier. Dr Vageli noted MOD efforts to strengthen coordinated efforts to counter hybrid threats but concluded by saying that much more can be done. He said in the Czech Republic, as well as across the Alliance, there needed to be a change of mindset to understand the gravity of the approaching threat as Russia gains confidence in its various hybrid tactics.

36.   **Jaromir Jahoda**, Deputy Head of the Defence Policy and Strategy Division, rounded out the morning's discussion at the Parliament of the Czech Republic with a presentation on the Czech Republic's role in NATO via its response to the Alliance's recent new defence initiatives. A central message from Jaromir Jahoda was for the Alliance to maintain its programme of new initiatives to strengthen the overall ability of the Alliance to continue to be able to maintain credible deterrence by denial. Coordinated new deterrence initiatives will demonstrate Allied unity. Jahoda praised Allied efforts by noting the Alliance has come a long way since 2014. When discussing new Czech initiatives, Jahoda told the delegation the Czech Republic approved its current defence strategy in March 2017. He told the delegation there is the political will to move toward the 2% GDP on defence spending benchmark. He also mentioned a current legislative initiative to reorganise and bolster national reserve forces; i.e. increased salaries to make the force more attractive and the new ability for the national guard to be deployed on operations abroad. Jahoda's presentation talked as well of new counter-hybrid tactics strategy in place and the Czech Republic's understanding of the range of security threats impacting the whole Alliance – from east to south and internally – as such, the Czech Republic is looking for new ways to contribute to Allied efforts across the spectrum.

37.   The delegation met with officials from Radio Free Europe/Radio Liberty (RFE/RL) in the afternoon. REF/RL Director **Joanna Levison** told the delegation the news organisation was started in the Cold War as an instrument to counter Soviet propaganda, but in the post-1991 era, it has focused on being an independent and verifiable source of news reporting that is not driven by an agenda. Today RFE/RL reports in 25 languages in 20 different countries, making it one of the biggest news services in the world. Director Levison told the delegation that a key concern for her and her team at the news organisation is the global phenomenon of the rollback of democracy.

38.   She told the delegation RFE/RL was engaging in various new programmes to try to counter the worrying trend of democratic rollback across the world. One example she mentioned is a new programme called Current Time, which was launched to counter Russian propaganda by reaching out to Russian speakers across the globe with a different source of information about international events and organisations, such as NATO and the United Nations. The programming, she continued, addresses a range of news events and reporting to engage with a range of issues impacting nations and civil societies across the post-Soviet space and beyond.

39.   She concluded her remarks by noting that RFE/RL is maintaining an innovative and cutting-edge delivery of content, despite its Cold War Legacy, on all major social network platforms today. She noted that efforts to stay ahead of the relentless pace of today's news cycle are challenging, but they saw their efforts as successful as they are able to reach approximately 2 billion viewers on their platforms today.

Joint Chemical Biological Radiological and Nuclear Defence Center of Excellence (JCBRND COE)

40.   The delegation rounded out its visit to the Czech Republic with a visit to the JCBRND COE in Vyscov, Czech Republic. The centre of excellence was founded in 2006 as part of the Prague capability commitments, and participating in and supporting the mission has expanded over the years. The JCBRND COE mission is to provide advice in all CBRN areas – which can encompass CBRN doctrine development to education and training to the enhancement of CBRN defence-related efforts.

41.   The JCBRND COE consists of three principal departments: Transformation Support, Operations Support, and Training, Exercises, and Education. The first ensures the maintenance of JCBRN subject matter expertise to ensure the fulfilment of the JCBRND COE portfolio. The second serves principally in an advisory role to SACEUR for all matters related to CBRN Defence. The third is the principal educational pillar. The delegation was briefed on all major departments throughout the day.

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