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Analysing German European Policy

What Hungary's Regime Change Means for German EU- and Foreign Policy

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The collapse of Viktor Orbán's illiberal and semi-authoritarian regime turned Hungary's 12 April elections into one of the most consequential electoral contests on the European continent in 2026. While the Europe-wide expectations focus on the abandonment of the Hungarian veto and blockade diplomacy, several important dimensions of Hungary's future foreign policy are less frequently discussed. Therefore, this paper seeks to assess the implications that the political shift in Budapest may hold for German EU and foreign policy. It draws on the election manifesto of the now-governing Respect and Freedom ("Tisza") party, background discussions, and available media sources.

The Fundamentals

Based on the government's initial diplomatic track record, Hungary's future foreign policy is likely to be heavily dominated by the newly-elected prime minister Péter Magyar, while the extent of Foreign Minister Anita Orbán's political autonomy remains an open question.

Over the past two years, and particularly following his electoral victory, Péter Magyar has strategically employed foreign policy initiatives and high-level meetings and clearly articulated ambitious foreign policy objectives. And while it may be overstated to describe his approach as a foreign policy entirely subordinated to domestic considerations, Magyar is nevertheless likely to pursue a foreign policy firmly anchored in domestic political objectives and to use foreign and EU policy strategically to strengthen his domestic political position whenever possible.

In this context, his initial foreign policy priorities are likely to focus on areas in which he can demonstrate early and visible results where his predecessor, Viktor Orbán, failed. The four most important priorities in this regard are likely to be the "unfreezing" of previously suspended EU cohesion and recovery funds, the revitalization of Central European cooperation, the improvement of the rights of Hungarian minorities in Ukraine and potentially Slovakia, and energy diversification and enhanced energy security through substantially improved relations with Croatia.

While some of these objectives are in partial tension with one another, it is important for international partners to understand the extent to which these foreign policy issues are embedded in Hungarian domestic politics and linked to the personal political ambitions of Péter Magyar.

The following sections therefore examine four areas of particular relevance for German EU and foreign policy: Hungary's renewed Central European ambitions, its efforts to secure access to suspended EU funds and its future policy towards Ukraine and the Western Balkans. In doing so, the paper identifies potential implications and possible avenues for action for German and European stakeholders.

"In Central Europe We Trust"

The incoming Tisza government's strong emphasis on the revitalization of Central European cooperation as a strategic objective was clearly articulated in the party's election manifesto and further symbolized by Péter

Magyar's first official visits upon taking office to Warsaw and Vienna.

The domestic political rationale underpinning this strategic orientation is at least twofold. First, within Hungarian society, cooperation with Czechia, Poland, and Slovakia is widely seen as the natural framework for articulating and representing shared Central European interests at the EU level. Second, for a substantial segment of public opinion, Viktor Orbán's disruptive and pro-Russian policies are perceived as having decisively contributed to the deterioration of Visegrád cooperation in the late 2010s. Consequently, if Magyar succeeds in achieving a meaningful breakthrough in regional cooperation, he could present himself domestically as having "restored normality," thereby strengthening both the representation of Hungarian interests within the region and the articulation of Central European interests within the EU.

In March 2026, Péter Magyar semi-officially proposed merging the Visegrád Four (V4) with the Slavkov/Austerlitz (A3) format, which brings together Austria, Czechia, and Slovakia. The initiative appears driven by three considerations. First, a new framework could help Central European states distance themselves from the negative connotations attached to the "Visegrád" brand since 2015, particularly its image as a "non-constructive" alliance within the EU. Second, Austria's inclusion could balance Poland's predominance within the grouping. Third, by reshaping and revitalizing the V4 architecture, Magyar could present himself domestically as having achieved the most significant advance in Central European regional cooperation since the Visegrád Group's establishment in 1991.

At the same time, the initiative may face significant constraints. Most importantly, it arguably misreads Austria's geopolitical and EU-political centre of gravity, as Vienna has traditionally aligned more closely with Germany and the EU's fiscally conservative "frugal" states. This will become particularly relevant during negotiations on the next Multiannual Financial Framework (MFF), where Austria has historically positioned itself opposite the Visegrád countries. Budapest's offer may therefore be insufficient to alter these established dynamics.

Furthermore, although Hungarian-Polish relations are likely to improve markedly, cooperation with the illiberal governments in Prague and Bratislava may remain difficult. While Robert Fico has moved closer to the European mainstream on Ukraine's EU accession since Viktor Orbán's fall, divergences over Russia and Ukraine could still constrain visible joint initiatives. Bilateral tensions between Hungary and Slovakia – stemming from the renewed application of the Beneš decrees to nationalize agricultural property 81 years after the Second World War – may further complicate deeper regional cooperation.

One area where a common platform among the V4 countries could nevertheless emerge is the negotiation of the next MFF, particularly regarding the future of the Common Agricultural Policy (CAP), cohesion spending, and opposition to the EU emissions trading system. In these areas – and this is particularly relevant for Germany – the V4 could re-emerge as a coordinated bloc opposing a more future-oriented expenditure structure for the 2028–2034 MFF, despite its potential to advance the EU's goals of greater independence, prosperity, security, and resilience.

To pre-empt such developments, Germany should reconsider its past preference for deprioritizing engagement with the V4 framework in favour of bilateral diplomacy with the four Central European countries. Without undermining bilateral relations, German diplomacy should establish regular Germany-V4 coordination formats, with particular attention to sensitive EU policy issues such as the MFF. This could also be seen as an appropriate response to Prime Minister Magyar's suggestion during his visit to Berlin to build deeper ties between Germany and the Visegrád Group. Such a framework could also help revitalize Germany's previously well-established role as a mediator and "interest aggregator" for smaller Central European EU member states, while contributing to the restoration of trust that has unfortunately weakened in recent years due to growing unease in German-Hungarian, German-Czech, and German-Polish relations.

Bringing the Frozen EU Funds Back Home

The release of the approximately €8–10 billion in suspended cohesion funds and the €10.4 billion in frozen European Recovery and Resilience Facility (RRF) resources represents perhaps the foremost strategic priority of the new Hungarian government. The success or failure of these efforts will be a major determinant of the government's output legitimacy.

The debate over how to approach the release of these funds is particularly intense in both Berlin and Brussels, especially in light of the Polish precedent, where funds became fully accessible to the Polish government despite its ultimately limited capacity to comprehensively implement its reform agenda due to domestic veto players.

Given, however, that the new Hungarian government commands a constitutional supermajority in parliament, comparisons with Poland are of limited analytical relevance. In Hungary's case, the central issue concerns timing, particularly because – under the current legislative framework – RRF resources will remain accessible, even in the event of full compliance with the European Commission's milestones and super-milestones, only until 31 August 2026.

There appears to be a basic consensus in both Berlin and Brussels that the release of funds should proceed gradually and remain conditional on reform implementation in Budapest. However, this approach is severely complicated by the imminent expiry of the RRF funding window. At the same time, Manfred Weber and the European People's Party (EPP) are also advocating the termination of the Article 7 procedure against Hungary.

The risks for both European and German positions are manifold. An excessively early and comprehensive release of frozen assets could – as in the Polish case – undermine the integrity and legal consistency of the EU's financial conditionality regime. Conversely, the expiry of the RRF funding window in August could lead either to only partial absorption of available funds or to technocratic solutions of questionable integrity, such as channelling resources into investment funds or other financial vehicles. Such outcomes would weaken EU leverage over Hungary's rule-of-law reform process and could generate frustration within both the Hungarian government and society if the country ultimately fails to access a substantial share of available RRF resources.

To provide political support to the new Hungarian government, Ursula von der Leyen announced during her meeting with Péter Magyar in Brussels the "unfreezing" of €16.4 billion in EU funding. This package consists of €10 billion in frozen RRF resources (including €3.5 billion in preferential loans), €4.2 billion in suspended cohesion funding, and a further €2.2 billion linked to the state of academic freedom in Hungary. The latter amounts represent a substantial share of the funding blocked under the Common Provisions Regulation (CPR) and its horizontal enabling conditions. However, they do not include the cohesion funding suspended under the Conditionality Regulation, where the European Commission does not possess sole decision-making authority.

While the Budget and Budgetary Control Committees of the European Parliament requested detailed information from the Commission in early June regarding the political agreement with Budapest, available media reporting and official communications suggest that the "unfreezing" remains strictly conditional and is tied both to the adoption of Hungarian legislative reforms and to the submission of a revised National Recovery and Resilience Plan before the 31 August deadline. The Hungarian government submitted the relevant omnibus legislation to parliament on 9 June and the updated recovery plan to the Commission next day.

Should both measures receive the necessary approvals, Budapest may achieve formal compliance with the conditions attached to the unfreezing decision. In that case, time would once again become the principal obstacle to accessing the funds, particularly with regard to the €10 billion RRF allocation, which must not only be formally committed but also implemented by the end of August.

While the coordination of the RRF remains in the hands of the European Commission, any potential extension of the RRF deadline ultimately rests with the member states and would require unanimous approval in the Council. Rather than focusing on the Article 7 procedure – the termination of which would currently be both premature and clearly secondary – German diplomacy and the EPP should instead work toward a political arrangement capable of enabling an extension of the RRF deadline. A solution of this nature would not only benefit Hungary, but also Bulgaria and Romania, while preserving European leverage over domestic political developments during turbulent times.

Such an extension could be agreed in parallel with the member states' necessary approval of Hungary's amended Recovery and Resilience Plan in July. This would enable the Hungarian government to claim a major political success regarding frozen EU funds while preserving – and potentially strengthening – EU financial leverage over Hungary's democratic and rule-of-law restoration process. It could also facilitate the accessing of resources within a reasonable timeframe, properly conditioned on reform implementation. Rather than rushing against looming deadlines through half-developed bureaucratic solutions, Germany, other EU member states, and the EU institutions should seek a sustainable political settlement on frozen EU assets in Hungary – one that preserves conditionality, provides a fair framework for the new Tisza government and the Hungarian economy to access funding, and continues to incentivize genuine democratic and rule-of-law reforms.

Péter Magyar's Ukraine Gamble

A key commitment made by Péter Magyar to his European partners has been the abandonment of the veto and blockade politics. This shift had already begun to yield tangible results even before Magyar's government formally entered office on 9 May, when the European Union was able to proceed with the implementation of the €90 billion financial assistance package for Ukraine.

However, the abandonment of obstructionist behaviour appeared somewhat less certain with regard to the opening of accession negotiations under the "Fundamentals" cluster. Following his electoral victory, Magyar appeared to revise his earlier position by rhetorically conditioning the launch of Ukraine's accession negotiations on improvements in the rights and protection of the ethnic Hungarian minority in Transcarpathia. In the same statement, he emphasized that the Ukrainian government's plan – drafted following the Budapest visit of Deputy Foreign Minister Taras Kachka – constituted a step in the right direction, but remained insufficient in scope, while additionally demanding the right to use the Hungarian language in public administration.

With this position, Magyar moved beyond the previous political consensus according to which the Hungarian government's objective had been limited to restoring the level of language rights that existed prior to Ukraine's 2017 education reform. Instead, he entered a considerably more politically sensitive domain with direct implications for Ukraine's state language policy – an evident red line and political no-go area for Kyiv.

At the same time, Péter Magyar has also expressed his intention to place the Hungarian–Ukrainian bilateral relations on a new footing and initiated preparations for a bilateral summit with Volodymyr Zelenskyy in early June. In this context, Hungary's decision to condition the opening of Ukraine's accession negotiations lent itself to two distinct interpretations.

First, it may have represented a tactical effort to secure additional Ukrainian concessions beyond the existing Ukrainian plan, enabling Magyar to claim that he resolved the minority rights dispute more successfully than the arrangement negotiated – and ultimately rejected – by the Orbán government. Second, it may have reflected a broader strategic attempt to exploit Ukraine's vulnerable position to maximize Hungary's political leverage.

In light of Péter Magyar's 3 June announcement that Hungary and Ukraine had reached an agreement on the protection of the Hungarian minority and its linguistic rights in Transcarpathia his brief period of conditionality appears to have been a tactical move designed to create additional leverage over Kyiv in order to achieve a rapid breakthrough. This interpretation is broadly consistent with the logic of a domestically anchored foreign policy outlined in the first section. As significant as the above-mentioned breakthroughs concerning the release of the €90 billion financial assistance package and the opening of accession negotiations are from both a Ukrainian and a European perspective, they represent only the beginning of what may become a broader strategic reset between Kyiv and Budapest. Mutual distrust and occasional divergences of interest, however, are likely to remain enduring features of the bilateral relationship for the foreseeable future.

Magyar's decision was likely shaped both by his desire to secure a rapid foreign-policy success that could be effectively leveraged in the domestic political arena and by the recognition that, had he refrained from lifting the blockade on accession negotiations, this would likely have been perceived not only in Kyiv but also by the majority of EU member states as a continuation of Hungary's blackmail policy toward Ukraine. Such a perception could have significantly undermined Magyar's broader strategic objective of restoring trust-based and constructive relations between Hungary and its European partners.

While important symbolic gestures have been made to clearly distinguish the profile of the current government from that of its predecessor, Hungary's policy toward Ukraine remains largely driven by domestic and EU-level incentives. In particular, domestic political incentives place clear constraints on the rapprochement, keeping Hungary from becoming a committed supporter of Ukraine.

Hungarian–Ukrainian relations play a crucial role in keeping Ukraine firmly on the accession path while simultaneously anchoring Hungary on a reform-oriented European trajectory. Their constructive development therefore constitutes a strategic interest of German foreign policy. Berlin should accordingly identify the most appropriate formats to support a long-term reconciliation process between Hungary and Ukraine, not only at the governmental level, but also through the promotion of joint civil society engagement and people-to-people contacts at the broader societal level.

The End of Disruptive Western Balkan Policy

Over the past decade, an often-overlooked dimension of Hungary's disruptive regional influence has been Viktor Orbán's Western Balkans policy. Characterized by a strategic partnership with Serbia and repeated interference in the domestic affairs of other Western Balkan states. Hungarian influence-building was particularly concentrated in North Macedonia, where it included support for ideological allies such as VMRO-DPMNE through investments in party-affiliated media outlets and extensive advertising expenditures, as well as the granting of political asylum to fugitive former prime minister Nikola Gruevski, who was extracted from North Macedonia by Hungarian intelligence services in 2018.

The other principal focus was Republika Srpska under the leadership of Milorad Dodik. The Orbán government supported the re-election campaigns of its ally through preferential loans formally provided by Hungarian Eximbank. Furthermore, it backed Dodik's secessionist ambitions by strengthening Republika Srpska's police forces through joint training exercises involving Hungarian special forces. These forces were reportedly deployed to Banja Luka in March 2025 to facilitate Dodik's evacuation to Hungary in case the Constitutional Court of Bosnia and Herzegovina ordered his arrest. Through these activities, Hungarian policy in the Western Balkans increasingly appeared aimed at destabilizing Bosnia and Herzegovina and supporting Serbian secessionism, effectively positioning Hungary as a proxy aligned with Serbian and Russian strategic interests.

In light of these developments and the close strategic partnership between Belgrade and Budapest, one of the principal geopolitical losers of political change in Hungary is likely to be Serbian president Aleksandar Vučić. A Tisza Party government will likely bring an end not only to malign Hungarian intervention in the domestic affairs of

Western Balkan states, but also to Hungary's almost exclusively Belgrade-centred regional policy. Instead, Budapest may strategically reorient its Western Balkans policy toward Croatia, driven by considerations of energy diversification and energy security.

Without overstating the impact of Hungarian influence in the Balkans, this shift is nevertheless likely to leave Vučić in an increasingly isolated position, as his illiberal system may lose one of its principal supporters within the European Union. This extends to the field of security policy, where the change of government in Hungary may also render the future of the Hungary–Serbia defence pact – at least in its original form, conceived as a response to the Albania–Croatia–Kosovo defence cooperation framework – considerably more uncertain.

These developments may create new opportunities for the Berlin Process, the Serbia–Kosovo dialogue, and the EU enlargement process in the Western Balkans. Such opportunities could be leveraged through renewed momentum and engagement by both German and broader European diplomacy.

Hungary's governmental – and potentially broader regime – change offers significant opportunities for the EU and for German foreign policy to advance key objectives, from Ukraine's accession negotiations to stability in the Western Balkans. At the same time, it may contribute not only to what could become the first successful process of re-democratization within the EU, but also to the development of a European legal and political framework capable of supporting similar democratic transitions in the future with both integrity and effectiveness.

These opportunities, however, are accompanied by substantial challenges, particularly given the deeply domestic foundations of the new Hungarian government's foreign and EU policy agenda. International partners – and Germany in particular – should therefore pursue a strategic approach that preserves and supports Hungary's reform trajectory without inadvertently undermining it, not only in the interests of Hungarian democracy, but also of the EU's long-term capability to act.

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