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Abbreviations

| | |
|----------------|---|
| ACCORD | ASEAN and China Cooperative Operations in Response to Dangerous Drugs |
| AFD | French Development Agency |
| AIDS | Acquired Immune Deficiency Syndrome |
| AMMTC | ASEAN Ministerial Meeting on Transnational Crimes |
| ASEAN | Association of Southeast Asian Nations (Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam) |
| ASEM | Asia-Europe meeting |
| ATS | Amphetamine-type Stimulants |
| CEM | Committee for Ethnic Minorities |
| DESA | Department of Economic and Social Affairs |
| EIU | Economist Intelligence Unit |
| EU | European Union |
| FAO | Food and Agriculture Organization |
| FIU | Financial Intelligence Unit |
| GDP | Gross Domestic Product |
| GOV | Government of Viet Nam |
| HA | Hectares |
| HCMC | Ho Chi Minh City |
| HDI | Human Development Index |
| HIV | Human Immunodeficiency Virus |
| IDU | Injecting Drug Use/User |
| ILEC | International Law Enforcement Community in Viet Nam |
| Lao PDR | Lao People's Democratic Republic |
| M.T. | Metric Tonnes |
| MOH | Ministry of Health |
| MOLISA | Ministry of Labour, Invalids and Social Affairs |
| MOU | Memorandum of Understanding |
| MPI | Ministry of Planning and Investment |
| MPS | Ministry of Public Security |
| NA | National Assembly |
| NCADP | National Committee for Prevention and Control of AIDS, Drugs and Prostitution |
| NGO | Non-Government Organization |
| ODA | Official Development Aid |
| ODCCP | United Nations Office for Drug Control and Crime Prevention |
| PAF | Programme Acceleration Funds |
| PPP | Purchasing Power Parity |
| SODC | Standing Office on Drug Control |
| SOE | State-Owned Enterprise |
| SOMTC | Senior Officials Meeting on Transnational Crime |
| UNDAF | United Nations Development Assistance Framework |
| UNDCP | United Nations International Drug Control Programme |
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNFPA | United Nations Population Fund |
| UNHCR | United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |
| UNODC | United Nations Office on Drugs and Crime |
| VBARD | Viet Nam Bank of Agriculture and Rural Development |
| VBP | Viet Nam Bank for the Poor |
| WHO | World Health Organization |

Executive Summary

The Government of Viet Nam is firmly committed to implementing its comprehensive national drug control programme. However, the country's rapid economic development and increasing cross-border trade have exacerbated some drug-related problems, most noticeably in the areas of drug trafficking and the domestic consumption of illicit drugs. In addition to drug related problems, the HIV/AIDS epidemic among drug users threatens both the health status of the population as a whole and the socio-economic development of the country.

In terms of cultivation, the Government continued strong effort to eradicate poppy cultivation has resulted in a significant decrease in land area planted with opium poppy. In June 2004, official figures indicated that opium poppy cultivation covered 32.4 hectares, down from 12,199 hectares in 1992. Cultivation takes place mainly in some of the remote Northern and Central provinces. Typically, these are areas struggling with chronic poverty and a lack of socio-economic development alternatives. Successful alternative development projects have been initiated over the past years in some of these areas.

Although the Government has made good progress in reducing opium poppy cultivation, drug trafficking has emerged as an important concern for Viet Nam. Heroin and opium come mainly from Myanmar and the Lao People's Democratic Republic (Lao PDR), but seizure statistics also indicate that heroin, amphetamines and cannabis are increasingly flowing in via the borders with China and Cambodia. Trafficking of illicit drugs in the region is unfolding in an ever more complex manner as traffickers take advantage of Viet Nam's extensive and poorly-controlled borders.

With the growing traffic of illicit drugs, an increasing amount is diverted to the domestic market. Drug abuse continues to increase, especially in urban areas. In 2004 there were 170,400 recorded drug abusers. Heroin continues to be the preferred drug among younger drug abusers, and amphetamines are gaining popularity in the major cities. Opium smoking is still prevalent in highland rural areas, where drug users are often found among the older population. Injecting drug use (IDU) is widespread and the cause of at least 60% of all known HIV infections.

The lack of resources, experience, and qualified staff have adversely affected national treatment and rehabilitation efforts. This has resulted in relapse rates exceeding 70 per cent. The escalation in trafficking and domestic drug consumption is also reflected in crime statistics, where drug-related crimes have increased sharply over the past decade.

National legislation on drug control and prevention has been fragmented, although the Law on Narcotic Drugs Prevention and Suppression is seen as an important step towards enhanced law enforcement. The Government continues to pursue international cooperation efforts in the area of drug control and prevention; however, limited finances and technical expertise restrict domestic efforts.

Given the nature and extent of drug control problems in the sub-region, Viet Nam is an active participant in the Greater Mekong Sub-region Memorandum of Understanding (MOU) on Drug Control Cooperation established in 1993 through which regional needs are determined and joint efforts are undertaken to address the problems of illicit drug production, trafficking, and abuse. Viet Nam is also a partner in the "ASEAN and China Cooperative Operations in response to Dangerous Drugs (ACCORD)" Plan of Action.

Trafficking in persons, both international and domestic, is seen as an increasing phenomenon. Legislation to combat trafficking as a phenomenon of organised crime is insufficient and not fully in compliance with relevant international conventions and protocols. In 2004 the Government, in collaboration with UNODC and UNICEF, completed a legal assessment of the situation to ascertain national capacity to ratify or accede to and implement the Protocols and to support the design of legislative and other required measures. Moreover, a revised draft law on child care, protection and education was approved by the National Assembly in May 2004.

Viet Nam faces numerous challenges in the area of drug control, including lack of financial resources, lack of technical drug control and crime prevention expertise, and growing drug trafficking and drug use problems. In addition, there are rising crime concerns, including corruption, money-laundering and trafficking in human beings. The Government has demonstrated commitment to addressing these issues.

1. Background and Overview of the Drug, Crime & Terrorism Situation

a. Drug

Production and cultivation

While a country possessing a long history of producing and consuming opium, the Government of Viet Nam's strong commitment to enforce a comprehensive national drug control programme has largely succeeded in eradicating the domestic cultivation of opium poppy.

Under French colonial rule opium production was systemized, and cultivation continued to be widespread in central and northern mountainous provinces until the early 1990s.¹ However throughout this decade the Government began targeted domestic poppy eradication efforts. In June 2004, the official estimate of land planted with opium poppy was 32.4 hectares, grown in seven provinces. This is a reduction from 105 hectares grown in twelve provinces the year before, and a significant reduction from the 12,199 hectares in 1992.²

In contrast to these eradication efforts, little focus has been given to socio-economic development alternatives for these areas; and, in concert with geographic isolation, chronic poverty and a lack of access to basic social services small-scale re-cultivation continues to occur in highland areas. In response, the Government, assisted by UNODC, has launched a number of alternative development projects targeting these affected areas. Initial results have been positive, as indicated by the absence of re-cultivation in areas where this support has been made available.³

Trafficking

Over the past five years, Viet Nam has experienced an increase in illicit drug trafficking. The country's close proximity to the 'Golden Triangle' (Lao PDR, Myanmar, Thailand) region, combined with porous national land borders and a long coastline, results in conditions amenable for smuggling. Inadequate enforcement capacity, and corruption at many levels of society, contribute to the problem. Statistics on seizures and drug-related arrests confirm that throughout the 1990s, Viet Nam had become an important drug transit country, particularly for heroin, ATS and opium. As a consequence of this expanding transnational flow of illicit drugs, an increasing amount began to be diverted for domestic consumption needs.

Demand

According to the Standing Office on Drug Control (SODC) there were 170,400 drug abusers recorded nationwide in 2004. This is an increase of 6% when compared to 2003. The Ministry of Labour, Invalids, and Social Affairs (MOLISA) reported over 30,000 drug users in Ho Chi Minh City (HCMC) and 15,697 in Hanoi in 2004. Together these cities accounted for 36% of all drug abusers that year, not including the number of drug users in prison.⁴ The Viet Nam General Confederation of Labour and the Ministry of Education & Training have estimated that over 3,000 government employees and 652 students were current drug abusers. 93% of all drug users are male, and around 70% of drug users are IDUs.⁵ According to a survey conducted by UNODC and MOLISA, in 2000 around 80% of drug abusers were below the age of 35, and 52% were below the age of 25.⁶

Heroin is the most common drug used, especially among young users, and especially in urban areas. While opium smoking continues to occur it is restricted largely to elderly users in rural and highland areas, and

1 UNODC, Ethnic Minorities, Drug Use and Harm in the Highlands of Vietnam, UNODC, Hanoi, 2003.

2 Ministry of Agriculture and Rural Development; UNODC Drug Statistics Viet Nam, 2003

3 Ministry of Agriculture & Rural Development, 2004

4 MOLISA, 2003. Based on data from MOLISA and MPS, UNODC has calculated that currently there are some 33,531 drug users in prison.

5 Ministry of Public Security, 2003

6 UNODC / MOLISA Project RAS/C75, 2000

according to UNODC baseline assessment research it is being replaced rapidly by heroin smoking and injection.⁷ Nationwide an increasing number of heroin users are shifting to IDU.⁸ The sharing of needle syringes by IDUs is widespread,⁹ and therefore HIV transmission risk is high among a sizeable proportion of the country's drug users. According to official data of the Government, 29.3% of all IDUs tested nationwide for HIV were positive.¹⁰ According to a report compiled in 2004 by the Reference Group on HIV/AIDS, Prevention, and Care Among IDUs and in Prison Settings, the number of IDUs in Viet Nam is 113,000 (midpoint estimate) with HIV prevalence rates as high as 89.4% in some areas.¹¹ Estimates published by the Ministry of Health (MOH) record 215,425 HIV cases in 2003, and a general HIV prevalence rate of 0.25%.¹² Unofficial estimates indicate that the figure could reach 350,975 by 2010.¹³ In response to this increasing domestic HIV situation the Prime Minister approved the "National Strategy on HIV/AIDS Prevention and Control in Viet Nam up to 2010 with a Vision to 2020" in March 2004. The strategy supports harm reduction efforts through the expansion of needle and syringe distribution programmes, and widespread condom promotion.

The recent emergence of amphetamine type substances' (ATS) use is causing concern. In 2004, the price of ATS was reported to be about US\$4.4.-6.3 per tablet in HCMC and US\$3.8-5.7 in Hanoi, while the price for ecstasy were \$16-19 in both cities.¹⁴ Expensive, its use mainly occurs among affluent youth in urban centres.¹⁵ Further, psychotropic substances are becoming increasingly popular among injecting drug users who mix heroin with, for example, Seduxen (valium), Pipolfen, Novocain, Dolargan or Diazepam.¹⁶

The Government has made significant efforts to reduce drug abuse, especially among young people. The primary approach has been through increased efforts around the treatment of existing drug users. Currently there are 82 drug treatment institutions at the provincial level run by MOLISA and the Youth Union and 7,100 treatment facilities providing treatment at district and local levels.¹⁷ In June 2004 the number of drug users in treatment facilities was approximately 49,000.¹⁸ However results have been mixed and relapse rates are high because the treatment has focused mainly on detoxification, with little attention given to relapse prevention and community involvement.

Legislation and convention adherence

Viet Nam acceded, in 1997, to the 1961 UN *Convention on Narcotic Drugs*, the 1971 UN *Convention on Psychotropic Substances* and the 1988 UN *Convention against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances*. This established the framework for formulating and adopting comprehensive national legislation on drug control and prevention. The formulation process for the new *Law on Narcotic Drugs Prevention and Suppression* began in 1993 and is mainly based on the three aforementioned UN Conventions, providing an important boost to law enforcement in the area of drug control and crime prevention. The law was approved by the National Assembly in December 2000 and came into effect on 1st June 2001. The law provides the Government with instruments to step up the fight against drugs, and especially against drug trafficking. Successful enforcement of the new law will very much depend on whether the coordination, among the various authorities, sectors and mass organizations involved, is carried out effectively. Insufficient inter-ministerial cooperation and cooperation among other authorities involved in drug control has been identified as one of the key factors in the lack of law enforcement.

7 UNODC Project AD/VIE/04/H61, unpublished data, 2005.

8 MOLISA Annual Report, 2004

9 UNODC Project AD/VIE/01/B85, unpublished data, 2003; other sources.

10 National Strategy on HIV/AIDS Prevention and Control in Viet Nam up to 2010 with a Vision to 2020

11 UNAIDS, 2004

12 National Strategy on HIV/AIDS Prevention and Control in Viet Nam up to 2010 with a Vision to 2020

13 It is important to note that information concerning the HIV/AIDS situation in prisons and other 'closed settings' is not available.

14 Counter Narcotics Police Department. 2004

15 MPS/SODC Report at the Conference to Review Three-Years' Implementation of National Action Programme 2001-2005 in Hanoi, March 2004

16 UNODC Project AD/VIE/01/B85, unpublished data, 2003; other sources.

17 MOLISA Report, 2004

18 UNODC, Monthly situation report, June 2004

International cooperation

Viet Nam is stepping up its international cooperation, especially with neighbouring countries. Special attention is given to the trafficking of illicit drugs, including the enhancement of border controls, information sharing and training activities. The Government has taken an active part in the implementation of the Sub-region MOU on Drug Control Cooperation and ACCORD action plan. Drug control cooperation agreements with Australia, the Philippines, the Republic of Korea, Cuba and India are being drafted; and, a hotline on drug crime has been set up with China, Lao PDR, Cambodia and Thailand.¹⁹ A bilateral Letter of Agreement on Counter-narcotics Cooperation was signed with the United States in December 2003; and an agreement on crime prevention cooperation between Viet Nam and Thailand was ratified in April 2004.

International assistance

During the previous programme period 1995-2000 the Government allocated around 18 million USD from national resources to drug control and drug prevention activities. According to a National Committee for the Prevention and Control of AIDS, Drugs and Prostitution (NCADP) Conference which reviewed the initial three-year implementation of the national 2001-2005 drug control action plan, the allocated state budget was an estimated 16 million USD over these three years.²⁰ In addition, around 80 million USD were taken from local budgets.²¹ However the Conference acknowledged that due to insufficient funding several objectives set in the action plan would probably not be achieved by 2005.

Between 1993-2004 UNODC and other donors have provided financial and technical support of over USD10 million for drug control-related efforts. While the Government requires significantly more assistance from the international community, it is not expected that current allocations will increase in coming years.

b. Crime

The Police Department used to be responsible for crime statistics and remains playing a major role in data collection. Although the People's Supreme Prosecution Office has been assigned with the responsibility to maintain crime statistics since March 2003, crime related data are not available and difficult to obtain. Over the last decade, Viet Nam has experienced an increase in reported crime, particularly drug-related offences and economic crimes.²² Between 1987-1988, when the country experienced the most critical period of its transitional economic development the number of criminal cases increased from 55,000 to 70,000 cases per year.²³ Between 1992-2000, the annual crime rate averaged 60,000 cases.²⁴ Figures collected in the past five years show an annual average of 80,000 crimes, including approximately 55,000 street crimes, 14,000 economic fraud cases and 11,000 drug-related crimes.²⁵

Drug related crime is on the rise. On the average, the number of drug cases increases by 27.6% per year, and the number of drug offenders increases by 28.55% per year.²⁶ The Government reports that 90% of people involved in the offences of murder, robbery and theft have been identified as drug addicts.²⁷ The occurrence of money-laundering related to drug trafficking also has been confirmed by the Ministry of Public Security.²⁸ Transnational organized crimes account for 2-10 per cent of total criminal cases countrywide.²⁹ Human trafficking is seen as an increasing problem. Women and children are trafficked to China and Cambodia, and to other countries in the South and East Asia region.³⁰ About 70% of women

19 MPS/SODC Report at the Conference to Review Three-Years' Implementation of National Action Programme 2001-2005 in Hanoi, March 2004

20 MPS/SODC Report at the Conference to Review Three-Years' Implementation of National Action Programme 2001-2005 in Hanoi, March 2004

21 Idem

22 Ministry of Public Security, December 2004

23 Nguyen Xuan Yem, "Extradition, mutual legal assistance and transfer of international offenders in crime prevention", 2000, pp.17 and 67.

24 Ibidem

25 Ministry of Public Security, December 2004

26 Draft Masterplan on Drug Control, page 6, 2003

27 Ministry of Public Security

28 Bruce Russel, Mission Report on AML-CFT Mentorship in Vietnam, Lao and Cambodia – February 2005

29 Nguyen Xuan Yem, "Extradition, mutual legal assistance and transfer of international offenders in crime prevention", 2000, p.53

30 Anti-human trafficking project document VIE/R21

trafficked in Viet Nam are under the age of 20.³¹ The Government has reported 9,454 cases of corruption between 1994-2004 causing a loss of VND10,760 billion (approx. US\$800 million).³² Although various measures have been taken to cope with increasing corruption, enforcement of these measures has generally been poor.

c. Terrorism

The Government does not consider terrorism a serious threat to domestic security. Viet Nam is party to eight of the 12 international instruments on terrorism. It is in the process of ratifying the remaining four.

31 Ministry of Foreign Affairs
32 General Department of Police

2. Summary Statistics – Drugs and Crime

a. DRUGS

Cultivation (area in hectares, potentially harvestable after eradication)¹

| Drug type | 2000 | 2001 | 2002 | 2003 | 2004 | % change (latest year compared to 2003) | latest year as a % of global estimate |
|-------------|---------------|---------------|---------------|---------------|---------------|--|--|
| Opium poppy | 429 | 324 | 125 | 105 | 32.4 | -30.85 | Insignificant |
| Coca bush | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cannabis | Insignificant | Insignificant | Insignificant | Insignificant | Insignificant | Insignificant | Insignificant |

¹ The figures are based on Government report on planted and eradicated area

Source: UNODC *Drug Statistics Viet Nam*

Production (in tonnes)

| Drug type | 2000 | 2001 | 2002 | 2003 | 2004 | % change (latest year compared to 2003) | latest year as a % of global estimate |
|----------------|---------------|---------------|---------------|---------------|---------------|--|--|
| Opium | 1.9 | 2 | Insignificant | Insignificant | Insignificant | Insignificant | Insignificant |
| Coca leaf | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cannabis herb | Insignificant | Insignificant | Insignificant | Insignificant | Insignificant | Insignificant | Insignificant |
| Cannabis resin | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Source: UNODC *Drug Statistics Viet Nam*, 2004 (figures for 2001 are based on the Government's official statistics), UNDCP *Global Illicit Drug Trends 2001*

Potential manufacture (in kg)

| Drug type | 2000 | 2001 | 2002 | 2003 | 2004 | % change (latest year compared to 2003) | latest year as a % of global estimate |
|-----------|------|------|---------------|---------------|---------------|--|--|
| Heroin | 200 | 200 | Insignificant | Insignificant | Insignificant | Insignificant | Insignificant |
| Cocaine | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Source: UNODC *Viet Nam Country Office*

Number of drug cases discovered

| Drug type | 2000 | 2001 | 2002 | 2003 | 2004 | % change (latest year compared to 2003) | latest year as a % of global estimate |
|--|--------|--------|--------|--------|--------|--|--|
| Heroin, opium, cannabis, ATS, pharmaceutical drugs including psychotropic substances | 10,300 | 12,811 | 14,167 | 12,031 | 12,000 | 0 | |

Source: Standing Office on Drugs Control (SODC)

Number of drug traffickers arrested

| Drug type | 2000 | 2001 | 2002 | 2003 | 2004 | % change (latest year compared to 2003) | latest year as a % of global estimate |
|--|--------|--------|--------|--------|--------|--|--|
| Heroin, opium, cannabis, ATS, pharmaceutical drugs including psychotropic substances | 19,500 | 21,103 | 23,199 | 20,440 | 18,000 | -12% | |

Source: Standing Office on Drugs Control (SODC)

Seizures (in kg or kg equivalents)

| Drug type | 2000 | 2001 | 2002 | 2003 | 2004 | % change (latest year compared to 2003) | latest year as a % of global estimate |
|--------------------------|----------------------------|----------------------------------|---------|---------|--------|--|--|
| Opium | 460 567 (WDR 2005) | 583 | 613 | 280 | 58.6 | -20.92 | |
| Heroin | 49.3 60 (WDR 2005) | 40.3 | 57.39 | 160 | 239.4 | +49.62 | |
| Cannabis herb | 2,200 | 1,272 1289 (WDR 2005) | 243 | 750 | 1,021 | +36.13 | |
| ATS (units) | 17,000 30876 (ICPO5) | 43,160 72391 (WDR 2005) | 47,852 | 27,000 | 39,467 | +46.17 | |
| Psychotropics (units) | 119,465 no report | 593,662 | 110,232 | 236,830 | | | |

Source: UNODC *Drug Statistics Viet Nam, 2004*; and UNODC *World Drug Report, 2004*

Annual prevalence of drug abuse (as a percentage of age 15-64)

| Drug type | Viet Nam | East and S.E. Asia | Global estimates |
|------------------|----------|--------------------|------------------|
| Cannabis | 0.3 | 0.72 | 4.15) |
| Cocaine | n.a. | | 0.3 (WDR 2005) |
| Opiates | 0.3 | 0.37 | 0.41 |
| Stimulants (ATS) | n.a. | 1.07 | 0.64 |
| Others (specify) | | | |

Source: UNODC, *World Drug Report, 2004*; 2005

b. Crime

(Research has been done to seek relevant information but the field office is not able to obtain these crime data. They are considered state secrets)

Personnel, budget / financial resources

| Description | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|------|------|------|------|-----------|
| Total police personnel | | | | | |
| Females | | | | | |
| Males | | | | | |
| Total police budget/ financial resources (million local currency units) | | | | | |
| Total prosecution personnel | | | | | 6,000 (*) |
| Females | | | | | |
| Males | | | | | |
| Total prosecution budget/ financial resources (million local currency units) | | | | | |
| Total professional judges or magistrates | | | | | 4,000 (*) |
| Females | | | | | |
| Males | | | | | |
| Total lay judges or magistrates | | | | | |
| Females | | | | | |
| Males | | | | | |
| Total court budget / financial resources (million local currency units) | | | | | |

Source: (*) AML Mentor Mission Report Feb.05

Crime recorded in criminal (police) statistics, by type of crime including attempts to commit crimes (latest year and five years earlier):

Not available

c. Organized crime (latest year and five years earlier)
Not available

d. Terrorism (latest year and five years earlier)
Not available

3. The Year in Review: Main Events

Major political and economic events

The Ninth Communist Party Congress was held in 2004 and it identified national socio-economic development strategies for 2005-2010. The Government has set a target to reach an economic growth rate of 8.5 per cent in 2005.³³ The country's gross domestic product (GDP) grew by 7.5 per cent in 2004. According to the World Bank (WB), Viet Nam has the second highest economic growth in East Asia after China.³⁴ It predicts that GDP in 2005 would reach between 7.0-7.2,³⁵ while the Asian Development Bank (ADB) estimates a level between 7.5-7.6%.³⁶

International donors pledged \$2.839 billion in development assistance in 2004.³⁷ The commitment reached \$3.44 billion in 2005 as the country enters the crucial year leading up to its accession to the World Trade Organisation (WTO).³⁸ Donors have expressed continued support for Viet Nam's Comprehensive Poverty Reduction and Growth Strategy (CPRGS), which advocates an economic development agenda combined with a plan to resolve social issues.

According to the Ministry of Planning & Investment (MPI) figures, foreign direct investment (FDI) was expected to reach US\$4 billion for 2004, 30% above the Government's target. In 2005 a FDI level of US\$4.2-4.5 billion is expected if improvements in the investment environment continue. MPI states that Viet Nam needs US\$90-105 billion in domestic and foreign investment to ensure an annual economic growth rate of 7.5 – 8% between 2006 and 2010. About US\$30 billion of this amount is expected to be raised from foreign investors.

The Government will empower public supervision in order to eliminate corruption at grassroots levels and it proposed the establishment of a specialized anti-corruption agency and the adoption of an anti-corruption law by 2005. The National Assembly discussed and passed the revised Criminal Procedure Code in November 2003, and it came into effect in July 2004. It approved also the revised Law on Child Care, Protection and Education in May 2004, which will come into effect at the beginning of 2005. The UN Convention against Corruption was signed in December 2003. An anti-corruption initiative for Asia and the Pacific launched by the ADB and OECD also was signed in July 2004.

Drugs

IDU continues to be the main cause of HIV transmission in Vietnam. The Government has introduced harm reduction efforts including the expansion of needle and syringe distribution programmes, condom promotion and substitution treatment. This is outlined in "The National strategy on HIV/AIDS Prevention and Control in Viet Nam up to 2010 with a Vision to 2020".

The SODC continues to be the coordinating authority for issues related to drug control and is UNODC's direct counterpart. The first *National Drug Control Master Plan*, for the period from 1996 to 2000 was successfully completed. The results from the implementation of the first master plan have been reviewed and incorporated into the next master plan covering the ten-year period from 2001 until 2010. The Government approved the new master plan in March 2005.

Crime

One of the most important areas of organized crime development over the last year has been in the illegal trafficking of women and children. Despite recent efforts by the Government and neighbouring countries to tackle the problem, human trafficking, particularly between countries in the Mekong Region, is on the

³³ Vietnam News, 25 January 2005

³⁴ World Bank annual report, 2004

³⁵ Idem

³⁶ Vietnam News, 7 April 2005

³⁷ UNODC Monthly Situation Report, 2004

³⁸ Vietnam News, 4 December 2005

rise.³⁹ Viet Nam has signed the UN Convention against Transnational Organized Crime, but not the UN Trafficking and Smuggling Protocols. In 2004 the Government, in collaboration with UNODC and UNICEF, completed a legal assessment to ascertain the capacity of Viet Nam to ratify or accede to and implement the Protocols and to support the design of legislative and other required measures.

4. General Setting

Major socio-economic characteristics of Viet Nam

Viet Nam stretches 1,650 kilometers from the southern border of China, to the southern tip of the Indochina peninsula, covering an area of 331,690 square kilometers. Viet Nam is bordered to the north by China, to the west by Lao PDR and Cambodia, and to the east by the East Sea and Gulf of Tonkin with 3,444 kilometers of coastline (excluding islands). Mountains and hills cover around 75 per cent of the total land area.

According to the Economist Intelligence Unit (EIU), currently 22 per cent of the total land area is devoted to agriculture. In addition, the cultivated area per capita is just 0.12 hectares, which is one of the lowest rates in the world. The two rice-producing deltas, the Red River Delta and the Mekong River Delta, cover only 17% of Viet Nam's land area but contain over half the total cultivated land. It is estimated that there is potential to cultivate a further 900,000 – 1.4 million hectares of unused land. However, much of this land has been degraded by soil erosion. An estimated 70,000 hectares per year of cultivated land are lost to soil exhaustion and urban development.⁴⁰

Viet Nam lies in the tropical monsoon zone of South East Asia, with distinctive diverse climates across the country. It is located in one of the most natural disaster-prone areas in the world, which causes both human losses and great material damage every year.

Viet Nam's population was 83.5 million in 2005. HCMC (formerly Saigon) is the largest city, with a population of about 5.6 million. Hanoi, the capital, has a population of about 3 million. However, the actual number is likely to be higher as illegal migration to the big cities is substantial. Despite rapidly increasing migration to the cities (at a yearly rate of around 4.2 per cent), over 74 per cent of the population still live in rural areas and a vast majority of them are engaged in some form of agriculture. Seven out of every 10 households cultivate at least some rice.⁴¹

| | 2005 |
|---|--------|
| Total population (July 2004 estimate; in mill.) | 83.536 |
| Less than 15 years old | 27.9% |
| 15 to 64 years old | 66.4% |
| More than 65 years old | 5.8% |
| Median age in years | 25.5 |

Source: CIA, *World Factbook Viet Nam 2005*.

Viet Nam ranks second as the most populous country in South East Asia and 13th among the 200 states and territories in the world. The population density in Viet Nam is 242 per km², 5-6 times higher than the world standard of 35-40/km².⁴² Population growth has been decreasing and currently stands at 1.5%, down from 2.2 per cent in 1995; and it is expected to decrease even further over the coming decade.⁴³ The age composition has been greatly influenced by the war against the United States, with the median age as low as an estimated 24.9 years in 2004.⁴⁴ The proportion of people under 15 years old is 27.9% of the total

39 International Organisation for Migration (IOM) and the Inter Press Service Asia-Pacific's Anti-human trafficking workshop, Bangkok, October 2004, Vietnam News 21 Oct 2004.

40 EIU, Country Profile Viet Nam, 2004

41 CIA, World Factbook Viet Nam 2005.

42 World Bank, World Development Report, Making Services for Poor People, 2004

43 UNDP, Basic Facts about Viet Nam, 2004

44 CIA, The World Factbook-Viet Nam, 2004

population.⁴⁵ However, as outlined in the above table the median age is rising and will continue to do so over the coming decades.⁴⁶

The country is divided into 64 provinces and cities (including three new provinces, Hau Giang, Dak Nong and Dien Bien, established in January 2004). The provinces are further divided into 540 districts and 9,760 communes.⁴⁷ The majority of the population is of Kinh ethnicity, accounting for 87 per cent.⁴⁸ The remaining 14% is made up of 53 distinctive ethnic minority groups, of which the Tay and Thai groups are the largest.⁴⁹ A majority of the ethnic minority groups live in the northern and central highlands.

Viet Nam has experienced dramatic changes in its transition from a centrally planned system to a market-oriented economy. Since the first economic reforms under the *doi moi* (renovation) policy were launched in 1986, the country has made considerable progress across a broad range of socio-economic development measures. With annual GDP growth averaging 6.1% from 1990 to 2003, Viet Nam has seen significant developments in all sectors.⁵⁰ The change in the agricultural sector has been particularly remarkable.⁵¹ Experiencing extreme food insecurity just 15 years ago, today it is one of the leading exporters of rice, coffee and other agricultural commodities.⁵²

The poverty rate has fallen from 58% in 1993 to 29% in 2003;⁵³ with 95% of all poor households now located in rural areas.⁵⁴ The progress is represented quantitatively by rising per capita expenditures and improving social indicators. The GDP per capita for 2004 was USD 2,700 putting Viet Nam in rank order 161 of the total 232 countries in the world.⁵⁵ Despite declining poverty rates it remains widespread and a major challenge for the Government. Many households are living just above the poverty line in a precarious economic position with a high risk of falling back in to poverty. Moreover income disparities are increasing. For instance the urban poverty rate was 6 per cent, whereas the rural poverty rate was 35 per cent in 2002. In fact, currently, almost 80 per cent of total poverty in Viet Nam can be found in four regions. These are the Northern Mountains (23 per cent of total poverty), the North Central Coast (21 per cent), the Red River Delta (17 per cent), and the Mekong River Delta (17 per cent). Ethnic minorities, who comprise 14 per cent of the population and mainly inhabit these remote areas, are disproportionately affected by poverty.⁵⁶

A lack of access to the formal banking system in rural areas, especially for the poor, is one of the major obstacles to development in these areas. In recent years, the Viet Nam Bank of Agriculture and Rural Development (VBARD) and the Viet Nam Bank for the Poor (VBP) have extended their coverage in rural areas and given a significant number of households the opportunity to obtain loans on very favorable terms. However the formal banking sector's coverage is still insufficient as many households, especially in remote areas, do not have access to formal financing institutions and have to rely on informal financial networks such as relatives and money lenders. Consequently, the poorest and most remote households are often prevented from accessing any kind of micro-financing, leaving these households with little opportunity to improve their standard of living.

Job creation is another means with which the Government addresses poverty. The Government reported 1.52 million new jobs were created in 2003. Of that figure, the domestic development programmes created 1.12 million jobs, the National Fund for Job Generation (NFJG) 330,000, and 75,000 were temporary overseas jobs. MOLISA expected to create 1.58 million jobs in 2004, planned to provide job training for

⁴⁵ *ibid*

⁴⁶ EIU, Country Profile Viet Nam, 2004

⁴⁷ EIU, Country Profile Viet Nam, 2004

⁴⁸ Common Country Assessment, Viet Nam, 2004

⁴⁹ Danish Embassy Website, Viet Nam, 2005

⁵⁰ UNDP, Basic Facts about Viet Nam, 2004

⁵¹ UNDP, Viet Nam Development Report, 2004

⁵² *ibid*

⁵³ UN, MDG Closing the Millennium Gaps, 2003

⁵⁴ EIU, Country Report, January 2004

⁵⁵ CIA, The World Factbook, 2004

⁵⁶ UN, MDG Closing the Millennium Gaps, 2003

about 1.45 million people, and hoped to cut the urban unemployment rate from 5.8% in 2003 to 5.6% in 2004.⁵⁷ However most job creation efforts will have to take place in the private sector rather than the public sector. In fact, since the Enterprise Law was enforced in January 2000 the private sector has been playing a larger role in the market. Increasing migration to cities also is a serious concern as urban unemployment, particularly among male migrants, is on the rise. Official predictions based on recent trends in migration and urbanization suggest that by 2020, only 45 per cent of the country's population will live in rural areas down from more than 75 percent today.⁵⁸

However, these projections do not consider the significant underemployment that exists in mainly rural areas.⁵⁹ It is estimated that unemployment plus underemployment characterizes more than 30% of the available labor force.⁶⁰ Viet Nam's skewed age structure applies further pressure to the employment situation. The large proportion of young people results in a rapid natural increase in the labor force that in the coming years will increase by approximately 1.4 million people each year.⁶¹ Furthermore, the process of restructuring state-owned enterprises (SOEs) is also expected to contribute to further unemployment.⁶²

Viet Nam has achieved development success by many socio-economic indicators.⁶³ It has improved its Human Development Index (HDI) ranking from 121/174 countries in 1993, to 101/163 in 2001, and 112/173 in 2004.⁶⁴ Although the HDI has been improving in recent years the Government still faces serious development challenges with regard to the provision of both health and education services. The education sector has traditionally been a priority and national expenditure on primary education has more than doubled from 1.1% of GDP in 1995 to 3.7% in 2002.⁶⁵ The Government has made a commitment to increase public spending on education by 20%, equal to around 4.2% of GDP, by 2015.⁶⁶ Net primary school enrolment rates stood at 92% in 2003, with a completion rate of 66% in 2000.⁶⁷ The net enrolment rate for lower secondary school was 74% and for upper secondary school, 38% in 2000.⁶⁸ The adult literacy rate has remained at a high level, reaching 91% in 2002. It is important to note that there still exist considerable geographical, gender and ethnic disparities in these rates.⁶⁹

In the health sector, Viet Nam has recorded significant progress over the past decade. With a current life expectancy at birth of 69.7 years, the people in Viet Nam live significantly longer than those in other countries with a similar income level. Mortality rates also have decreased considerably. According to the World Bank, the under-five mortality rate in 2002 was 26/1,000 live births, down from the official figure of 55.4/1,000 live births in 1990.⁷⁰ There is an extensive health-care delivery network and well organized national public health programmes. However data on the utilization of and access to health care services show that there are increased inequalities between rich and poor. The poor use public health facilities less, are underrepresented in health insurance schemes, and find that the services are unresponsive to their needs. Further, while 78% of urban area residents had access to safe drinking water in 2002, only 44% of those in rural areas did.⁷¹

One of the major concerns of the population and obstacles to national development is corruption. Although various measures have been implemented in order to cope with increasing corruption, enforcement of these measures has generally been poor. A recent investigation concluded that more than 40% of the Communist

⁵⁷ Ministry of Labour, Invalids, Social Affairs - Jan 2004

⁵⁸ EIU, Country Report Vietnam, January 2004

⁵⁹ Australian Government Website, Vietnam Fact Sheet, 2004

⁶⁰ UN, MDG Closing the Millennium Gaps, 2003

⁶¹ *ibid*

⁶² EIU, Country Report Vietnam, January 2004

⁶³ UNDP, Human Development Report 2004, 2004

⁶⁴ *ibid*

⁶⁵ UNDP, IDT/MDG Progress, 2001, Viet Nam News, 13 August 2003

⁶⁶ Viet Nam News, 13 August 2003

⁶⁷ UN, MDG Closing the Millennium Gaps, 2003

⁶⁸ UNDP, Human Development Report, 2004

⁶⁹ UN, MDG Closing the Millennium Gaps, 2003,

⁷⁰ World Bank, Viet Nam Data Profile, 2004

⁷¹ UN, MDG Closing the Millennium Gaps, 2003

Party's members under survey were found guilty of having taken a bribe within the past five years.⁷² According to the report at the national conference to review the fight against corruption and smuggling organized by the Ministry of Public Security in HCM City in June 2005, from 1993 to present the police have discovered 9,960 corruption cases causing losses at a total of VND7,558 billion (over US\$480 million). In 2004, there were 506 corruption cases causing losses at VND712 billion (US\$45 million). Some cases involved corruption of millions of US dollars, such as in the field of petrol and gas exploitation and banking.⁷³ At the request of the Government and the voters, the draft Anti-Corruption Law was reviewed and discussed at the National Assembly 7th Session. The law was planned to be adopted at the next session of the National Assembly in November 2005 and come into effect from 1 July 2006.

⁷² EIU, Country Report Viet Nam, June 2001

⁷³ Ministry of Public Security, June 2005

Summary table of general statistics

| | Year* Source | Value | Developing | OECD | World |
|---|-----------------------------|-------|------------|----------|----------|
| Human Development | | | | | |
| HDI Rank (total of 177 ranked countries) | 2003 HDR | 108 | | | |
| Land | | | | | |
| Total area (thousand sq km) | 2002 WDI | 325 | | | |
| Surface area (thousand sq km) | 2005 WDI | 332 | | | |
| Land use, arable land (% of land area) | 2002 WDI | 20.6 | 11.9 | 21.1 | 10.8 |
| Population | | | | | |
| Population (million) | 2005 UN/DESA | 84.2 | ND | ND | 6 464.7 |
| Population growth (annual %) | 2000-2005 average UN/DESA | 1.37 | 1.43 | 0.3 | 1.21 |
| Life expectancy at birth, total (years) | 2005 UN/DESA | 70.4 | 63.4 | 75.6 | 65.4 |
| Population age 15 and above, (%) | 2005 UN/DESA | 70.5 | 69.3 | 83.1 | 71.8 |
| Population age 15 to 24, (%) | 2005 UN/DESA | 20.7 | 18.9 | 13.7 | 17.9 |
| Urban population (% of total) | 2005 UN/DESA | 26.7 | 43.2 | 74.9 | 49.2 |
| Economic Development | | | | | |
| GDP growth (annual %) | 2004 IMF | 7.7 | 7.3 | 3.1 | 3.8 |
| GDP (current million US\$) | 2003 HDR | 39.2 | 6 981.9 | 29 650.5 | 36 058.3 |
| GDP per capita, PPP (current international \$) | 2003 HDR | 2 490 | 4 359 | 25 915 | 8 229 |
| Imports of goods and services (% of GDP) | 2003 HDR | 68 | 33 | 22 | 24 |
| Exports of goods and services (% of GDP) | 2003 HDR | 60 | 35 | 21 | 24 |
| Agriculture, value added (% of GDP) | 2004 ADB | 21.8 | ND | ND | ND |
| Total debt service (% of GNI) | 2003 HDR | 2.1 | 4.7 | ND | ND |
| Public debt (% of GNI) | 2004 ADB | 40.4 | ND | ND | ND |
| Labor, Poverty, and Unemployment | | | | | |
| Labor force, total (millions) | 2003 WDI | 43.3 | | | 3 062 |
| Labor force, female (% of total labor force) | 2003 WDI | 48.6 | 38.3 | 42.8 | 40.8 |
| Labor force, children 10-14 (% of age group) | 2003 WDI | 4 | 14.6 | 1.0 | 10 |
| Living on less than \$1 a day (PPP) (% of people) | 2001 WDI | <2 | ND | ND | 21.1 |
| Income distribution ratio, (20% richest / 20% poorest) | 2002 HDR | 6 | ND | ND | ND |
| Unemplmnt, total (% of total labor force) | 2004 HDR | ND | ND | 6.8 | ND |
| Unemplmnt, fem. (% of female labor force) | 2004 WDI | ND | ND | 7.1 | ND |
| Unemplmnt, male (% of male labor force) | 2004 WDI | ND | ND | 6.6 | ND |
| Unemplmnt, youth total (% of total labor force 15-24) | 2004 OECD | ND | ND | 13.5 | ND |
| Unemplmnt, youth fem. (% of fem. labor force 15-24) | 2004 OECD | ND | ND | 13.3 | ND |
| Unemplmnt, youth male (% of male labor force 15-24) | 2004 OECD | ND | ND | 13.7 | ND |
| Health | | | | | |
| Health expenditure, public (% of GDP) | 2002 HDR | 1.5 | 2.9 | 5.8 | 5.6 |
| Improved sanitation facilities (% of population w. access) | 2002 HDR | 41 | 48 | ND | 58 |
| Improved water source (% of population w. access) | 2002 HDR | 73 | 79 | 98 | 79 |
| Physicians (per 100,000 people) | 1990-2004 period HDR | 53 | ND | ND | ND |
| Contraceptive prevalence rate (%) | 1995-2003 period HDR | 79 | ND | ND | ND |
| Births attended by skilled health personnel (%) | 1995-2003 period HDR | 85 | 59 | 95 | 62 |
| AIDS deaths per 100,000 people, estimate end 2003 | 2003 UNAIDS | 11.1 | 191.1 | 4.5 | |
| Education | | | | | |
| Literacy rate, adult total (% of people 15 and above) | 2003-1999 UNESCO survey HDR | 90.3 | 73.6 | 89.8 | 76.3 |
| Literacy rate, adult female (% of females 15 and above) | 1999 UNESCO survey HDR | 86.9 | 67.8 | 86.5 | 69.5 |
| Literacy rate, adult male (% of males 15 and above) | 1999 UNESCO survey HDR | 93.9 | 79.4 | 93.2 | 83.1 |
| Comb. gr. enrolment ratio prm., scnd. and tert. schools (%) | 2002/2003 UNESCO | 64.0 | 63 | 89 | 67 |
| Net intake rate grade 1, fem. (% of off. school-age pop.) | 2002/2003 HDR | 92 | ND | ND | ND |
| Net intake rate grade 1, male (% of off. school-age pop.) | 2002/2003 UNESCO | ND | ND | ND | ND |
| Media | | | | | |
| Radios (per 1,000 people) | 1997-2003 period WDI | 109 | 419 | 871.5 | 419.3 |
| Television sets (per 1,000 people) | 2003 WDI | 197 | 275 | 632.4 | ND |
| Telephone mainlines (per 1,000 people) | 2003 HDR | 53 | 113 | 494 | 184 |
| Internet users (per 1,000 people) | 2003 HDR | 43 | 53 | 403 | 120 |

* The source year refers to the latest survey whose data are still used for 2005 publications.

Abbreviations

| | |
|---------|--|
| ADB | Asian Development Bank |
| HDR | Human Development Report |
| WDI | World Development Indicators |
| OECD | Organization of Economic Cooperation and Development |
| ND | No data |
| UN/DESA | United Nations – Department of Economic and Social Affairs |
| IMF | International Monetary Fund |

Note

For the following indicators :

- Unemployment, total (% of total labor force)
- Unemployment, fem. (% of female labor force)
- Unemployment, male (% of male labor force)
- Unemployment, youth total (% of total labor force 15-24)
- Unemployment, youth fem. (% of fem. labor force 15-24)
- Unemployment, youth male (% of male labor force 15-24)

There's no available data neither in 2005 HDR nor in 2005 WDI, only OECD figures were released in its publications and reported herewith.

5. Drug Situation

Production and cultivation

Viet Nam has recorded marked success in eradicating opium poppy cultivation. Over the past decade, the area of opium cultivation has been decreasing gradually. From an estimated 18,000 hectares in 1990, the cultivated area covered just 32, 4 hectares in June 2004, according to Government figures.⁷⁴ Cultivation is concentrated in the northern mountainous regions, along the borders with China and Lao PDR. According to unofficial estimates by the US Government (USG), the planted area is significantly higher than the official figure. In 2002, the USG estimated that the area under cultivation covered around 2,300 hectares, with a potential opium output of between 10 and 15 metric tons.⁷⁵ However the remote locations where cultivation often takes place makes it difficult to confirm accurate figures on cultivation and it is therefore possible that the area of cultivation is larger than the official figure. However, the USG's estimate is considered to be too high. The Government's monitoring activities take place on the ground and are conducted by the Ministry of Agriculture and Rural Development (MARD). Given the high presence of administrative and Government structures in all areas, including remote mountainous areas, as well as the strong will and commitment to eradicate if and where required, as proven over the last years, the Government's figures are considered to be reliable.

Opium cultivation is dominant among poor ethnic minority households, mainly among the Hmong, Khomu, Thai and Tay ethnic groups, who have traditionally cultivated opium and who experience chronic food shortages. The Government has limited resources for alternative development initiatives in its opium eradication strategy and consequently, limited small-scale re-cultivation has occurred in some areas.

Minor cultivation of cannabis is found in a number of southern provinces. The cultivation is scattered and no organized production is taking place. Due to the insignificant size of the cannabis cultivation, no specific statistics are available. The fact that Cambodia has emerged as a major cannabis producer in South East Asia, and thereby has become the main supplier of cheap cannabis for the Vietnamese market, is discouraging the establishment of any organized production in Viet Nam.

Table 9. Estimated poppy cultivation and opium production in Viet Nam (1992-2004)

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|--------|--------|-------|-------|-------|------|------|--------------|--------------|-------------|--------------|-------------|--------------|
| Planted area (ha) | 15,442 | 12,796 | 3,738 | 2,357 | 2,885 | 680 | 881 | 442 | 429 | 324 | 125.7 | 105 | 34.2 |
| Eradicated area (ha) | 3,243 | 8,528 | 672 | 477 | 1,143 | 340 | 439 | 442 | 429 | 324 | 125.7 | 105 | 34.2 |
| Actual cultivation area (ha) | 12,199 | 4,268 | 3,066 | 1,880 | 1,743 | 340 | 442 | nsignificant | nsignificant | significant | nsignificant | significant | nsignificant |
| Potential production (metric ton) | 61 | 21 | 15 | 9 | 9 | 2 | 2 | nsignificant | nsignificant | significant | nsignificant | significant | nsignificant |

Source: SODC's Report 2004, UNODC World Drug Report, 2005

Manufacture

It is unknown to what extent the manufacture of heroin and ATS is taking place in Viet Nam. The first clandestine laboratory engaged in the production of heroin was discovered in 1999 in Nghe An province,

⁷⁴ Ministry of Agriculture and Rural Development's report for 2004.

⁷⁵ DEA, Drug Intelligence Brief, 2003

close to the Lao border. Some 120 people operating in fourteen provinces and cities, both in Viet Nam and abroad, were involved in the drug ring. Over a five-year period, the ring engaged in the trafficking of more than one ton of opium and 270 kilograms of heroin.⁷⁶ No other manufacturing laboratories have been discovered since.

Statistics available on the trading in precursor chemicals used in the production of both heroin and ATS are very limited. Official control is insufficient and it is believed that illegal trading in these chemicals is taking place in Viet Nam.⁷⁷ The chemicals are smuggled from China, Singapore and Taiwan, and these same chemicals are then believed to be smuggled further into Cambodia.⁷⁸ The expected presence of an illegal trade in these chemicals suggests that there is a possibility that heroin and/or ATS are being manufactured in Viet Nam, but the extent and location of such is unknown.

Trafficking

Viet Nam is an important Southeast Asian transit route for the trafficking of illicit drugs in – mainly heroin, opium, ATS and cannabis. Over the last five years, the number of drug trafficking cases has increased sharply, both in terms of the number of seizures made and in terms of the number of people involved.⁷⁹ With opium cultivation nearly eradicated in Viet Nam, it is estimated that as much as 95% of illicit drugs being transported inside Viet Nam, for either transit or domestic consumption, have been smuggled in from neighbouring countries.⁸⁰

The amount of opium seized in Viet Nam decreased in 2004, with only 58.6kg confiscated, compared to 613kg in 2002.⁸¹ While trafficking in opium has decreased, recent seizure data demonstrate the growing trade in heroin and ATS.⁸² There are several reasons why the amount of opium seized has decreased. First, the area under opium cultivation in both Viet Nam and neighbouring countries has decreased in recent years, and domestic demand for opium has also decreased in Viet Nam as many drug users have begun to use heroin. Secondly, to maximize profit and to minimize detection many traffickers have shifted to heroin. In doing so they make more money trafficking smaller amounts as compared to opium, due to its bulk.

Most of the opium and heroin seized in Viet Nam is cultivated and manufactured in both Myanmar and Lao PDR,⁸³ the world's second and third largest producers of raw opium, despite the fact that both countries saw a 40% reduction in the area under opium poppy cultivation from 1999 to 2002.⁸⁴ Corresponding with the decrease in domestic opium cultivation (and local demand) there has been a shift from opium smuggling toward the trafficking of heroin and ATS,⁸⁵ and evidence suggests that ATS, heroin and psychotropic substances are tending to be smuggled together.⁸⁶

Cannabis is also being smuggled into Viet Nam. In recent years, Cambodia has emerged as one of the major producers of cannabis in the Asian region. For Viet Nam, this has led to increased domestic trafficking of cannabis.⁸⁷ It tends to be transported overland through Ho Chi Minh City and Hai Phong and Quang Ninh in the north from where a large proportion was shipped to North America and Europe. The police also reported seizures of ketamin from Thailand.

| DRUG SEIZURES (1995-2004) | | | | | | | | | | |
|---------------------------|---------|-------|--------|---------|---------|---------|---------|---------|---------|--------|
| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
| Opium (kg) | 1,418 | 710 | 919 | 1,100 | 495 | 567 | 589.4 | 613 | 280 | 58.6 |
| Heroin (kg) | 39.4 | 51.5 | 24.3 | 60 | 66.7 | 60.0 | 40.33 | 57.39 | 160 | 239.4 |
| Doses of Heroin (units) | n.a. | 2,861 | n.a. | 122,649 | 97,335 | 92,329 | 49,369 | 62,784 | 60,000 | 21,543 |
| Cannabis (kg) | 578 | 369 | 7,986 | 379 | 400 | 2,200 | 1,272.5 | 243 | 750 | 1,021 |
| Amphetamines (units) | n.a. | n.a. | n.a. | n.a. | 6,025 | 17,000 | 43,160 | 47,852 | 27,000 | 39,467 |
| Psychotropics (units) | 115,150 | n.a. | 10,214 | 59,000 | 115,595 | 119,465 | 125,328 | 110,232 | 236,830 | 5,528 |

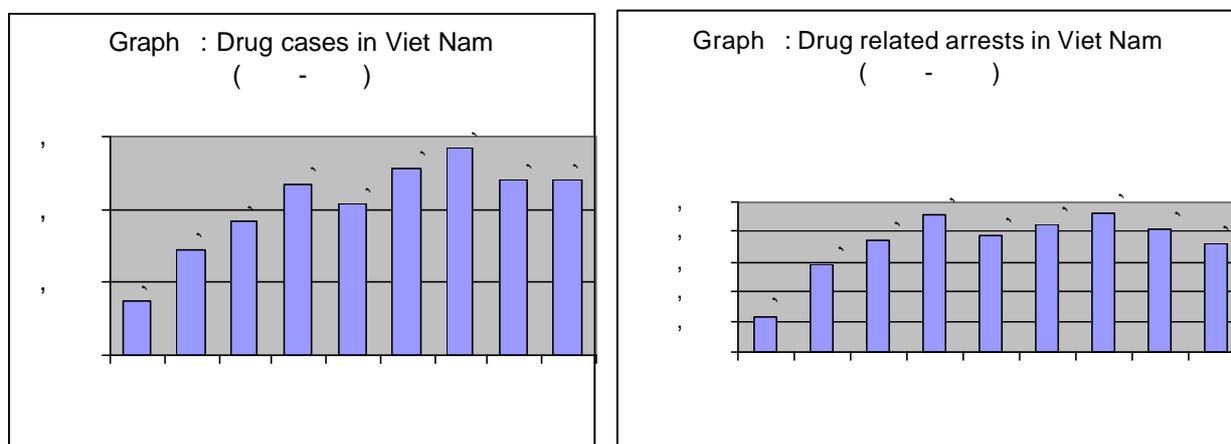
Source: SODC

⁸⁶ ibid

⁸⁷ ibid

Various types of ATS manufactured in Cambodia, China, Lao PDR, Myanmar and Thailand are smuggled into Viet Nam for local consumption. Currently ATS use is restricted largely to affluent young people in urban areas. One regional UNODC report states that methamphetamine pills are the most common form of ATS used in Viet Nam, followed by ecstasy.⁸⁸ It is reported that ecstasy is smuggled into Viet Nam from Europe and Hong Kong, and it is also believed that a number of international drug rings with networks in Southeast Asia, Europe and North America are exploiting Viet Nam's extensive borders.⁸⁹

For several years psychotropic substances have been smuggled into the country, mainly over the Chinese border and recently from Cambodia. Customs officers in Ho Chi Minh City seized over half a ton of pharmaceuticals brought illegally through the airport during January-May 2004. Many of these shipments contained narcotic drugs and psychotropic substances.⁹⁰ There is a substantial black market for psychotropic pharmaceutical products, and this feeds the domestic illicit drug market.⁹¹ In 2004 the country experienced a significant drop in psychotropic drug seizures.⁹² The reason why this has occurred remains an open question engulfing whether it is the result of poor data collection and misreporting; or due to a change in trafficking routes or domestic drug use behaviour.



Source: UNODC, *Drug statistics Viet Nam, 2004*

The number of total drug-related arrests has grown rapidly through the last decade. From 1996 to 2003, the figure more than tripled, both in terms of arrests made and cases reported.⁹³ Viet Nam has become increasingly tough on drug traffickers. 41,353 drug cases and 55,828 drug traffickers were brought to courts in the last five years (1999-2004). Of which, death sentence was handed down to 357, life imprisonment to 408 and 15-20 years terms to 2,589.⁹⁴

Diversion of drugs and precursors

Viet Nam's proximity to Southern China – a recognized source of precursors – and neighbouring countries with drug laboratories, makes it a vulnerable transit country for the diversion of precursors. Being aware of the problem of precursor diversion, Viet Nam included a chapter on precursors in the new national Law on Narcotic Drugs Prevention and Suppression. It also has issued two decrees on precursor control. Although the domestic precursor control system is in conformity with the 1988 Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the legal organizational structure remains weak. At the beginning of 2003 the Government approved a National Action Plan for Strengthening Precursor Control in the period 2003-2005.

⁸⁸ UNODC, *Amphetamine-type Stimulants in East Asia and the Pacific, 2003*

⁸⁹ Standing Office on Drug Control

⁹⁰ HCMC Custom Office, May 2004

⁹¹ MOPS Report at the Conference to Review Three-Years' Implementation of National Action Program 2001-2005 in Hanoi, March 2004

⁹² SODC's Report, 2004

⁹³ Ibid

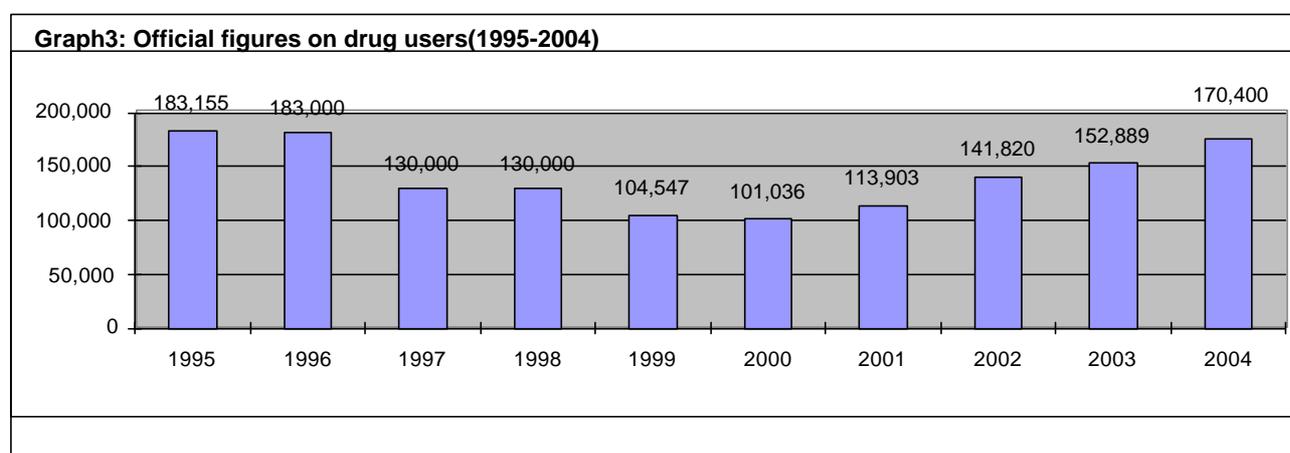
⁹⁴ Ministry of Public Security, November 2004

Drug prices

Information on prices in the illicit drug market is very limited. No regular survey on drug prices exists, for prices either at farm gate, at wholesale or retail levels. There has not been any systematic data collection related to drug prices in Viet Nam or any analysis related to purity. All information is *ad hoc* and usually collected during UNODC project activities.

Opium and heroin, which are the most commonly used drugs, can often be found at relatively cheap prices. The price per kilogram of heroin in 2004 was fluctuating between US\$16,000-20,000 (RAS: our range is 16,000 – 25,700 in 2002) in different periods and geographical regions in Viet Nam. ATS are relatively expensive (\$4.0-6.0 per tablet for methamphetamine, and \$16.00-19.00 per tablet for ecstasy)(RAS: amphetamine 4.7 – 11.7 for 2003 in WDR 2005), given the low level of income of the average drug user. Cannabis is available mainly in the southern regions of Viet Nam and sold at cheap prices given the supply from Cambodia.⁹⁵

Demand



Source: UNODC *Drug Statistics Viet Nam, 2004*

At the beginning of 2004, the official number of drug users was recorded to be 160,700, 13.3% higher compared to 2002.⁹⁶ According to the SODC, at the end of 2004 there were 170,400 drug users - an increase of 9,700 drug users over the course of the year. Although from 1995 to 2000 there seemed to be a consistent reduction in the number of users, the data provided by the Government for this period may reflect inaccuracies and discrepancies due to the absence of a national data collection standard, and the lack of statistical rigor in the analysis of raw data.

Drug use behaviour has changed significantly over the past decade. Opium smoking has given way to heroin injection, the average age of users has decreased, and the link between drug use and HIV transmission has been established unequivocally.⁹⁷ Although drug abuse was promoted as a problem only within highland ethnic minority communities, a UNODC and MOLISA survey showed that this is not the case. According to the survey, the Kinh ethnic majority account for the vast majority of drug users.⁹⁸ Even in highland provinces where ethnic minority groups often constitute a majority of the inhabitants, the Kinh ethnic group still account for the majority of known drug users.⁹⁹ In terms of gender, 93.8% of all drug users were male in 2003.¹⁰⁰ This figure is consistent across all age categories.

According to the Government's report for 2004, there were 170,400 drug users countrywide - an increase of 6% or 9,700 people as compared to 2003. The Ministry of Labour, Invalid and Social Affairs reported

⁹⁵ Counter Narcotics Police Department's report for 2004.

⁹⁶ UNODC, *Drug Statistics Viet Nam, 2004*

⁹⁷ SODC's report, 2004

⁹⁸ UNODC & MOLISA Survey, 2000

⁹⁹ Institute of Social Development Studies's survey report, 2003

¹⁰⁰ UNODC, *Drug statistics Viet Nam, 2004*

increasing trends of drug abuse problem in 2004 indicating that the number of drug users is on the rise. The number of young drug users under 30 year old is fast increasing from 42% in 1995 to 70% in 2004 on the average, and to 80-90% in many provinces and cities. Drug abuse has spread to all 64 provinces over the country at varied extent.¹⁰¹ Unemployment and drug consumption are generally considered to be interrelated factors, and figures for Viet Nam very much confirm this relationship. About 42% of all drug users in 1999 were unemployed, with figures for Hanoi and HCMC exceeding 50%. In light of the low official unemployment rate these figures appear to be high, but as mentioned earlier, high underemployment, increasing migration to urban areas and rising unemployment among young people are all impacting the country's drug use environment. Further, drug abuse is a major problem in many of the country's prisons. Based on official figures there are over 33,531 inmates who are drug users, accounting for approximately 20.8% of the total estimated number of drug users in Viet Nam.¹⁰²

Despite the emergence of various types of ATS and psychotropic substances, heroin is still the preferred drug among users under 35 years old.¹⁰³ According to MOLISA report in 2004, 70% of drug population were heroin users.¹⁰⁴ More recent UNODC project-related assessments demonstrate that heroin remains the overwhelming drug of choice.¹⁰⁵ The proportion of users who prefer cannabis was very small. There is evidence that many drug users are changing from solely smoking or injecting heroin to also mixing heroin with psychotropic solutions. Surveys have found the number of IDUs is increasing.¹⁰⁶ It is estimated that 30 per cent of the country's drug users turn to injecting each year.¹⁰⁷ The main reasons why drug users shift to injecting are: injecting heroin is cheaper than smoking it; injecting heroin has a stronger and faster effect than smoking; and, injecting is more practical than smoking, e.g. if a person is in a hurry.¹⁰⁸

Consequences

For several years the primary transmission cause of HIV has been linked to IDU. Although the epidemic is beginning to involve other populations in greater number, IDUs still account for about 60% of all detected HIV cases.¹⁰⁹ It is estimated that up to 80 per cent of all IDUs are sharing needles,¹¹⁰ and as a result the proportion of drug users infected with HIV in Viet Nam is among the highest in Southeast Asia. The increasing number of IDUs is posing a substantial risk that the disease will spread even faster.

Since the first case of HIV+ was reported in Viet Nam in December 1990, the cumulative number of HIV infected people reported throughout the country by December 2004 was 90,380. Of these, 14,428 had developed full-blown AIDS and 8,398 had already died.¹¹¹ However, the Government recognises that the actual number of HIV cases is much higher. According to the Ministry of Health's estimate and projection of HIV/AIDS infection conducted in 2004, there were around 198,000-284,000 people living with HIV/AIDS in Viet Nam in 2004, and the figures will increase to 267,000-356,000 by 2010. There is a noticeable trend towards a younger average age over the past years; 78.94% of reported cases are people at 20-39 years of age. The HIV infection rate of the 20-29 age group increased from 15% in 1993 to 55.17% in 2004.

A survey by WHO and MOH concluded that the rapidly expanding sex industry is increasingly contributing to the HIV epidemic. HIV prevalence among female sex workers increased from 0.6% in 1994 to 5.2% in 2002.¹¹² Official estimates put the number of sex workers at just under 37,000.¹¹³ While HIV infections

101 MOLISA / DSEP Report, 2004

102 UNODC, Drug Statistics Viet Nam, 2004

103 UNDCP & MOLISA Survey, 2000

104 MOLISA / DSEP Report, 2004

105 UNODC Project AD/VIE/01/B85, unpublished data, 2003; and, UNODC Project AD/VIE/04/H61, unpublished data, 2005.

106 MOLISA / DSEP Report, 2004

107 MoLISA/DSEP, 2001

108 UNDCP, Patterns of Drug Use in Hanoi, 2001

109 The national strategy on HIV/AIDS Prevention and Control, till 2010 with a vision to 2020

110 Viet Nam News, 3 May 2001

111 Ministry of Health's report, 2004

112 Ministry of Health, 2003

113 MOLISA, 2004

may be spreading due to unsafe sex practices in this population, recent unpublished research by World Vision and the National Institute for Health and Epidemiology has demonstrated that a significant proportion of sex workers are also drug users – many of them admitting to IDU at least one time.¹¹⁴ Additional research in Hanoi has shown that female IDUs often share equipment, especially with their partners.¹¹⁵ Therefore it is possible also that the increase in HIV prevalence among sex workers may be attributed to IDU behaviour.

6. Crime and justice situation

Main characteristics

Data on crime is not easily available in Viet Nam and is often not fully reliable due to discrepancies in figures provided by MOPS, the Prosecution Office and the Courts. To address this issue the Government has designated the People's Supreme Prosecution Office to be the institution responsible for crime statistics.

Trends

The average number of criminal cases happening each year in the last five years (2000-2004) increased 33.3% as compared with the last decade¹¹⁶ Around 90% of people involved in serious crimes as murder, robbery and theft have been identified as drug users, and the majority of them are young people.¹¹⁷ An escalation in the number of human trafficking-related cases has also occurred.

Counterfeit money is another escalating problem in Viet Nam and drug rings have been found to be involved in this illegal activity as well. Counterfeit money has been discovered in several drug-related cases. Fake US dollar notes are most common, but Chinese Yuan and Vietnamese Dong also have been discovered. The Government has launched an information campaign to make people aware of the presence of counterfeit notes and how to detect them.

Issues of specific concern

Human trafficking

Human trafficking in Viet Nam can be divided in two categories: trafficking in women, and trafficking in children. The line between these two forms of trafficking is not distinct since about 70% of the women trafficked across the border from Viet Nam are under 20 years old according to data released by the Ministry of Foreign Affairs (MOFA).¹¹⁸ A large number of these trafficking victims are allegedly subject to sexual abuse and sexual exploitation.¹¹⁹

Trafficking in women began assuming serious proportions in the mid-1990s, when women were taken either to the Chinese or Cambodia border in order to be sent abroad for arranged marriages or to work as servants, or from rural to urban areas within the country for the prostitution industry. Today trafficking in women in Viet Nam is strongly influenced by global trafficking trends. Consequently, there is an organized network of traffickers, usually women who were formerly the victims of trafficking themselves.¹²⁰ The victims are fooled by deceptive job offers or tourist trips, even by the promise of matchmaking with foreigners. In this way traffickers deceive them and then sell and resell them abroad, most often to work as prostitutes in brothels.¹²¹

¹¹⁴ World Vision and the National Institute for Health and Epidemiology (NIHE), Hanoi, 2004.

¹¹⁵ International Journal of Drug Policy 15 (2004) 182-195: Drug use, sexual behaviours and practices among male drug users in Hanoi, Viet Nam-a qualitative study, AND Drug use, sexual behaviours and practices among female sex workers in Hanoi, Viet Nam-a qualitative study.

¹¹⁶ Ministry of Public Security, 2005

¹¹⁷ National Conference to review five-year national crime control programme on 9 November 2004 .

¹¹⁸ Ministry of Foreign Affairs, 2003

¹¹⁹ Ministry of Public Security - April 2004.

¹²⁰ Ministry of Public Security - 2004

¹²¹ Ministry of Public Security - April 2004.

Trafficking in children in Viet Nam can be viewed from two perspectives: the traffickers are either cooperating with the sex industry or working for the illegal adoption agencies. As mentioned above, many of the Vietnamese women sold abroad as prostitutes are minors. At the same time, the illegal child adoption problem is also assuming serious proportions. According to the Ministry of Justice and the National Committee for Child Protection and Care, 10,000 babies have been adopted by overseas families from 1995 to 2001, mostly by prospective parents in France followed by the United States, Belgium, Canada, Sweden and Denmark.¹²² The government is well aware of the phenomena of baby selling and the related problem of counterfeit documents.

The Government has adopted numerous laws and policies to fight against human trafficking. Hundreds of cases have been prosecuted and a large number of traffickers have been arrested.¹²³ The National Action Programme against Human Trafficking for the period 2004-2010 has been approved. The programme aims at creating awareness of the public, improving the legal system and strengthening the law enforcement against illicit trafficking of women and children.

7. Terrorism situation

Main characteristics

Terrorism is not yet a threat to Viet Nam. The Government has signed 8 out of the 12 international instruments on terrorism.

8. Policy

a. Drugs

National drug control framework

Adherence to Conventions

In 1997, Viet Nam acceded to the 1961 *Single Convention on Narcotic Drugs*, as amended by the 1972 Protocol, the 1971 *Convention on Psychotropic Substances*, and the 1988 UN *Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances*. Regarding the last of these, Viet Nam has made reservations concerning article 6 on 'extradition' and article 32, paragraph 2 and 3 on 'dispute settlement'.

Legislation

Viet Nam has demonstrated a strong commitment to pursue a comprehensive national drug control policy, while also expanding its international drug control cooperation. The Government repeatedly has addressed drug control and prevention as a very high priority on its agenda. Despite this concern, national legislation on drug control and prevention has been fragmented. The first criminal code to include drug-related crimes was the 1985 *Penal Code*. The adoption of a new constitution in 1992 provided the fundamental basis for legislative controls to tackle the illicit production, trafficking and use of drugs.

In December 2000, the National Assembly adopted the first law on drug control and prevention. The *Law on Narcotic Drugs Prevention and Suppression*, drafted in 1993, came into force in June 2001. The law is seen as an important boost to enhance law enforcement by heightening the responsibilities of all parties involved in drug control and prevention. The new law recognizes that the prevalence of drugs is a social problem and that drug users are not offenders or criminals. This fundamental change allows for more responsive and efficient treatment of drug dependants. The treatment period has been lengthened to include rehabilitation, and young drug users 12 to 18 years old will be sent to detoxification centres if they fail to quit their drug habits at home.

¹²² Ministry of Justice - June 2004
¹²³ General Department of Police

Drug control institutions

The institutional framework for drug control has been strengthened considerably in recent years. The former Office of National Drug Control Committee changed to become the SODC, under the MPS. The SODC now forms the backbone of the Government's drug control and prevention strategy and is the direct counterpart to UNODC. The change is part of the re-organization of those government bodies concerned with the prevention and control of HIV/AIDS, drugs and prostitution. The new organization came about due to the Prime Minister's Decision in June 2000 to create the NCADP. The NCADP merged the former Government Steering Committee for Social Evils, the National Drug Control Committee and the National AIDS Committee. Merging the three organizations to achieve a multi-sectoral approach to direct and coordinate the prevention of AIDS, drug abuse and prostitution allows for improved coordination and integration of activities across different sectors, ministries and mass organizations.

Along with the establishment of NCADP, it was decided to set up provincial steering committees for the prevention of AIDS, drugs and prostitution under provincial People's Committees. This should extend the operational reach of the NCADP to ensure that law enforcement is carried out at both the provincial and local levels. However, the effectiveness of these arrangements is yet to be proven. The Prime Minister called for tighter inter-ministerial cooperation in order to combat the increased trafficking of drugs and to create a more efficient treatment and rehabilitation system.

Main characteristics of a national drug control policy

With the issue of drugs placed high on the agenda, the Government is committed to pursuing a comprehensive national drug control policy. This is confirmed in the *National Drug Control Action Plan 2001–2005*, which lays out the Government's policies and strategies for drug control issues. The long-term drug control objectives are to:

- Measurably reduce drug consumption and to promote programmes on harm reduction and prevention of drug use and HIV/AIDS prevention and care;
- Reduce, and ultimately eliminate opium poppy cultivation and in its place, introduce permanent and sustainable measures to prevent future cultivation;
- Prevent and permanently eliminate the production of, and trafficking in, illicit drugs, including the identification and elimination of congregation points for illicit drug use;
- Eliminate illicit trafficking in licit drugs and precursors under international control, and effectively control the licit trade;
- Establish effective international cooperation in drug control.

Based on these objectives, eight main programme areas have been identified:

- Drug prevention (focus on high-risk groups);
- Drug prevention in schools;
- Opium poppy eradication;
- Law enforcement;
- Trafficking;
- Strengthening of treatment and rehabilitation;
- Application of traditional medicine;
- Drug-free communities;
- Strengthening of international cooperation.

Over the past three years, the state budget for drug control reached VND255 billion (around US\$16 million). In addition, VND800 billion (\$50 million) were taken from the local budget, in which HCM City funded VND600 billion (US\$37 million) for drug treatment programme.¹²⁴

Another guiding tool for drug control is the *National Drug Control Master Plan to the Year 2010*, which was formulated with the assistance from UNODC and approved by the Government in March 2005. The masterplan aims at reducing the number of drug users by 20-30% as compared with 2001, setting targets to achieve by 2010 that 70% of the communes, city wards and townships will be free from drug abuse and drug crime; 90% of the workplaces, schools and armed force units will have no drug problems; and 80% of the drug abusers will receive treatment at the drug treatment centres.

Licit control (drugs and precursors)

With only a small pharmaceutical industry, Viet Nam has to rely mainly on the import of licit pharmaceutical products. Licenses to open pharmacies are obtained easily and in the last decade, pharmacies have appeared all over Viet Nam; and, due to the privatization of pharmacies, most of the people involved in the sale of pharmaceutical products have little or no pharmacological education. Psychotropic drugs are inexpensive. Prescriptions by doctors are not always required in Viet Nam and therefore access to pharmaceutical drugs is easy. Further, due to the substantial black market for these pharmaceutical drugs, most licit drugs are being smuggled into Viet Nam via the Chinese border. However, little research has been conducted in this area and its extent is unknown.

Supply reduction

The most pending problem with regard to drug supply reduction is the inadequate and ineffective nature of border security enforcement. Drug trafficking has particularly increased along the Viet Nam-Cambodia border since 2003. Over 80 per cent of drug trafficking are discovered inside the country, while only 15-18 per cent at the border areas.¹²⁵ Consequently, the Government wants to strengthen cooperation among relevant authorities operating in border areas, including counter-narcotics police, marine police, customs authorities and the border army.

Demand reduction: treatment and rehabilitation

At present, there are 112 drug treatment centres at provincial level (of which, 80 are managed by the Department of Labour, Invalid and Social Affairs and the Youth Union, and 32 are established by Youth Union, civic associations and private sector) with a total capacity of 40,000 treatments per year. The increased number of drug users receiving treatment to a large extent can be ascribed to the Government's focus on treatment and rehabilitation efforts. According to the 2004 report of the Department of Social Evils Prevention in the Ministry of Labour, Invalid, Social Affairs, 138,252 treatments were provided during 2001-2003. Of which, 65% was on compulsory and 35% on voluntary basis. The average number of treatments provided each year has been doubled to 40,000 as compared to the period 1994-2000. 25,876 people accounting for 18.5% of the total recovering drug users received vocational training and employment. However resources for treatment and rehabilitation are insufficient to meet the needs of all drug users. According to the Director of the Social Evils Prevention Department in MOLISA, the existing drug treatment centers can meet only 30% of the present requirement. Treatment facilities often lack qualified staff or do not have the resources to provide sufficient follow-up after detoxification. The relapse rate was reported to have reduced to 70-75% in 2004.¹²⁶

The Government is acknowledging now the need for a more comprehensive treatment approach that includes therapy and rehabilitation.¹²⁷ A number of pilot programmes on community-based treatment and rehabilitation have been initiated. Efforts have been made also to unify treatment procedures. In light of the high cost of setting up and running treatment centres, community-based approaches have proven both effective and less expensive if well managed. Further funding is needed in order to extend and improve the

¹²⁴ Report of the Standing Office on Drug Control at the National Conference to review three-year implementation of the national drug control action plan 2001-2005

¹²⁵ Pol.Gen. Nguyen Viet Thanh at MOPS's conference on drug trafficking control in border areas, HCM City, 16 Dec.2004

¹²⁶ MOLISA / DSEP Report for 2004

¹²⁷ National Drug Control Masterplan to 2010

number of existing treatment centres, as most centres are permanently overcrowded. Centres and hospitals are facing an increasing number of HIV-infected patients and patients suffering from AIDS, necessitating an urgent upgrade of medical facilities in order to provide sufficient treatment for these patients. Specific initiatives related to HIV/AIDS prevention and care in the context of injecting drug use in prison settings and trafficking in persons are needed.

Prevention

With regard to drug control and prevention, special attention is given to young people and in particular to high-risk groups. However, a lack of resources is a major constraint for implementing a comprehensive prevention and treatment strategy. Although education and information campaigns on drug prevention and HIV/AIDS awareness have been improved in schools and workplaces, these campaigns do not target the most vulnerable groups – IDUs and sex workers. While there is a need to step up preventive work for all high-risk groups, the need for these two groups is particularly urgent. Both groups are increasing in number and are extremely vulnerable to contracting HIV. A number of surveys confirm that the spread of drug use and HIV/AIDS among these two groups is growing at alarming rates, requiring urgent action.

Money laundering control measures

Competent authorities in Viet Nam admitted that money laundering had already emerged in the country. The United Kingdom's Police also reported money laundering is a big problem between the UK and Viet Nam involving many Vietkieu (overseas Vietnamese)¹²⁸. Currently money laundering has been defined in Article 251 of the Criminal Code and Article 7 under Chapter II of the Law on Narcotic Drug Prevention and Suppression, and in the Law on Credit Institutions. However, no one has been prosecuted under the Criminal Code and there is no bank reporting of suspicious transactions. The inadequate internal audit and control within banks and the weak banking supervision capacities of the State Bank further enhance the potential for money laundering activities.

In response to the increasing problem, the Government issued anti-money laundering decree in June 2005 providing a legal framework and guidance for setting up systems to report and to investigate suspicious transactions as well as stipulating sanctions against money laundering. The decree says that any transaction services made in cash or in gold worth VND200 million (US\$12,700) or more, or transactions related to any savings accounts worth VND500 million (\$31,600) or more, will be put under close supervision. The decree also clearly outlines measures such as freezing suspected accounts, sealing or temporarily seizing questionable assets, and detaining suspects. Money launderers will be punished in accordance with the Criminal Code.¹²⁹ An Anti-Money Laundering Information Centre, similar entity as financial intelligence unit (FIU) in other countries, has been established in the State Bank of Viet Nam to collect and deal with relevant information flow. The Decree will come into effect from 1 August 2005.

The external assistance so far provided to the Government on anti-money laundering has been through the ADB and the ASEM Anti-Money Laundering Project Office. The ASEM Office, in collaboration with the ADB, provided a consulting team in July 2003 to conduct training, assessment of technical assistance needs and two workshops on the findings. The ADB provided technical assistance to the State Bank of Viet Nam in the development of the Anti-Money Laundering Decree and in the establishment of the Anti-Money Laundering Information Centre with provision of technical inputs and a study tour to see first hand the actual functions of the FIUs in other countries. The French Development Agency (AFD) will provide \$1.5 million in support for commissioning the Anti-Money Laundering Information Centre, particularly for the infrastructure development.¹³⁰ The establishment of a UN mentorship on anti-money laundering/counter-financing of terrorism (AML/CFT) matters in Viet Nam, Laos and Cambodia is will take place as of September 2005 in the context of a UNODC-World Bank partnership.

International cooperation

¹²⁸ Troels Vester, Project R21 Mission Report, June 2005

¹²⁹ Decree No.74 on Money Laundering dated 7 June 2005

¹³⁰ State Bank of Viet Nam

Bilateral agreements in the areas of drug control and crime prevention were signed with Cambodia, China and Lao PDR in 2000. The focus has been on strengthening cooperation between counter-narcotic authorities in border areas, and to curb the increasing drug trafficking across the borders to Viet Nam. Viet Nam has counter-narcotics agreements with Cambodia, Lao PDR, Myanmar, Russia and Thailand, as well as bilateral agreements on mutual legal assistance and extradition with Belarus, China, Lao PDR, Poland, Mongolia and Russia. Viet Nam and the US have concluded a bilateral Letter of Agreement on Counter-narcotics Cooperation, which includes training and technical assistance provided by the US.¹³¹ Additionally, Viet Nam has signed agreements on crime prevention, including drug crimes, with fifteen countries.¹³² Viet Nam, along with Cambodia, China, Lao PDR, Myanmar, and Thailand, have signed the UNODC-supported MOU on drug control for the Greater Mekong Sub-region countries.

Viet Nam is also taking part in drug control cooperation within the ASEAN framework, as part of the strategy to eliminate illicit drugs in ASEAN by 2015. At the 2000 annual meeting of ASEAN foreign ministers the drug issue topped the agenda and member nations decided to launch a regional anti-drug campaign in 2003. The ASEAN and China Cooperative Operations in Response to Dangerous Drugs, ACCORD, launched in late 2000, was also proposed to be included in each country's national development plan. The ACCORD Plan of Action is composed of four task forces, "Civic awareness", "Demand reduction", "Law enforcement co-operation", and "Alternative development". In July 2004, the ACCORD Demand Reduction Task Force Meeting took place in Hanoi and was attended by eleven ACCORD countries, the ASEAN secretariat, UNODC and other organizations and some local embassies.

In June 2003, the third Annual ASEAN Senior Officers Meeting on Transnational Crime (SOMTC) and SOMTC+3 (Japan, China, and Republic of Korea) was held in Hanoi. The conference reached agreement on several measures in the fight against terrorism including exchanging confidential information about organizations involved in violence, and preventing the supply of finances to terrorists. The measures are expected to help control illegal immigration, the trafficking of women and children, piracy, weapons smuggling, and the use of biological and chemical weapons.

In 2004 the first ASEAN Ministerial Meeting on Transnational Crimes, with three dialogue partners - China, Japan and Republic of Korea (AMMTC+3) - took place in Bangkok. The meeting focused on the exchange of experiences in fighting transnational crime, including terrorism, drug trafficking and human trafficking, especially international economic crime and cyber crime. In addition, the Government signed an agreement on crime prevention with China, and on extradition with the Republic of Korea.

b. Crime

National crime prevention framework

In November 2004 the Government issued a directive to approve continued implementation of the crime control programme until 2010. The directive has mapped out major targets to continue reducing transnational and international organised crime cases, child abuse and the trafficking of women, drug-related crimes, corruption, smuggling, commercial fraud, and the abuse of advanced technology. It outlined measures to be undertaken including the use of educational methods to prevent serious crimes, the expansion of treatment centres for drug abusers, the completion of legal documents relating to the crime control effort, and the signing and implementation of agreements and treaties on legal assistance, anti-terrorism and crime control with other countries and international organisations.

Organized Crime Convention adherence

Viet Nam has signed the 2000 Palermo Convention against Transnational Organized Crime (TOC) but has yet to ratify it. Viet Nam has not signed the Trafficking and Smuggling Protocols. The Ministry of Justice has conducted preliminary studies on the compatibility of national legislation with the TOC and has

¹³¹ MOPS Report at the Conference to Review Three-Years' Implementation of National Action Program 2001-2005 in Hanoi, March 2004

¹³² These include, among others, Cambodia, Canada, China, Cuba, Hungary, the Democratic People's Republic of Korea, and Ukraine.

detected gaps, in particular with regard to international cooperation on law enforcement and legal matters including mutual legal assistance and extradition.

The MOJ, cooperating with UNODC and UNICEF, completed a legal assessment report entitled “Assessment of the Legal System in Viet Nam in Comparison with the UN Protocols on Trafficking in Persons and Smuggling of Migrants, Supplementing the United Nations Convention against Transnational Organized Crime”. The purpose of the assessment was to ascertain the capacity of Viet Nam to ratify or accede to and implement the Protocols and to support the design of legislative and other required measures. UNODC is presently assisting the Ministry of Justice to draft a legal assessment reform on the TOC in the same form.

Legislation

Revisions to the penal code came into effect in July 2000. The amended penal code consists of 334 articles, including 2 specific articles on trafficking in women and children,¹³³ whether international or domestic. Capital punishment applies to serious criminal acts. The Government passed the revised Criminal Procedure Code in November 2003, and it came into effect in July 2004. In May 2004 the Government approved the “Law on Child Care, Protection and Education” that will come into effect at the beginning of 2005. In July 2004, the Government issued Decree No.146/ND-CP, stipulating procedures and authority to make decisions on admission of drug users to drug treatment centres for rehabilitation and vocational training.

Crime control institutions

The National Programme on Crime Control was established in 1998 following Government Decree 09 on strengthening the prevention and control of crimes. Its steering board is tasked to develop crime fighting strategies and action plans, propose regulations to the Government, and to organize and to monitor national crime control activities. The primary responsibility of crime control is assigned to the MPS involving the Departments of Criminal Police and Economic Police. Money-laundering and corruption is dealt with by the Economic Police Department, which has around 200 staff at the central level and has divisions in all 64 provinces. The Supreme People’s Prosecution Office was assigned in March 2003 with the task of maintaining crime statistics. With the decision of the Government to designate the Supreme People’s Prosecution Office to be the Government agency responsible for crime statistics, the portfolio which used to be with the Police Department is now transferred to the new focal department in the Supreme People’s Prosecution Office.

c. Terrorism

National terrorism prevention framework

Viet Nam has set up an inter-ministerial coordination mechanism to oversee the publication of a report by its Counter Terrorism Committee, which was established pursuant to Security Council resolution 1373, with MOFA as the focal point. The Government has reported that it has investigated bank accounts held in its country and has found none that have prompted suspicion of terrorism. Furthermore, the Government states that it has developed a number of bilateral agreements to enhance cooperation in fields including crime and terrorism prevention and has expressed its willingness to cooperate with other countries to combat terrorism under the guidance of the UN and in line with international law. In particular, Viet Nam foresees this taking place through its membership in INTERPOL. In its capacity as a member of ASEAN, the Government signed on to the Declaration adopted at the ASEAN VII Summit in November 2001 which reaffirmed ASEAN’s intention to “enhance the exchange of information and intelligence related to terrorists and terrorist groups, their movements and funding”.

Twelve universal anti-terrorist conventions’ and protocols’ adherence

¹³³ ‘Trafficking in men’ is not covered.

Viet Nam is a party eight universal instruments pertaining to the subject of combating and suppressing international terrorism. The four Conventions not ratified by Vietnam include:

- International Convention Against the Taking of Hostages (1979);
- Convention on the Physical Protection of Nuclear Material (1979);
- Convention on the Marking of Plastic Explosives for the Purpose of Detection (1991);
- International Convention for the Suppression of Terrorist Bombings (1997).

Legislation

Viet Nam's Penal Code addresses many acts associated with terrorist behaviour including, in particular, the collection of weapons and toxic or radioactive material. The Government views its Code as sufficient for protecting it against criminal acts that fall under the description of terrorism.

Terrorism control institutions

The MPS is primarily responsible for the fight against terrorism. There is no specialized department and task-force assigned with this particular task.

Main characteristics of national terrorism prevention strategy

The Government condemns terrorism in any form, regardless of motive. It holds that fighting terrorism should be based on the principle of independence, sovereignty and national integrity and it should be in accord with the UN Charter, international law, and specific conditions of every country. The Government has a policy to promote international cooperation in the world in the fight against terrorism.

d. Cooperation with international bodies

UNODC

Since 1994, when the UNODC Hanoi Liaison Office was established, UNODC has been active in the field of drug control and prevention in Viet Nam. In recognition of the Government's commitment and expanding activities, it was decided to upgrade the UNODC Liaison Office to a full Country Office in January 1998. UNODC has assisted the Government's implementation of activities within the framework of the first National Drug Control Master Plan (1996–2000). Emphasis was placed on a balanced approach to drug control, to elaborate a programme that encompassed capacity building in law enforcement agencies, prevention and treatment of drug use, and rural development of remote areas involved in illicit cultivation of opium poppy. Additional work continues in the area of providing legal assistance following the adoption of the Law on Drugs Prevention and Suppression in December 2000. Data collection is a necessary and important component and included in all projects implemented under the Master Plan to ensure a realistic depiction of drug trafficking and consumption in Viet Nam.

Country programme projects (2005-2007)

| PROJECT NUMBER | PROJECT TITLE | TOTAL BUDGET |
|-----------------------|---|---------------------|
| Ongoing | | |
| VIE/R21 | Strengthening the legal and law enforcement institutions in preventing and combating trafficking in persons in Viet Nam | 288,200 |
| VIE/G55 | Interdiction and seizure capacity building with special emphasis on ATS and precursors | 736,800 |
| VIE/H05 | Comprehensive drug prevention through communications and community mobilization | 479,400 |
| VIE/H61 | Drug Abuse Prevention among Ethnic Minorities in Viet Nam (Extension of VIE/01/B85) | 706,300 |
| VIE/R96 | Strengthening of the legal and law enforcement institutions in preventing and combating trafficking in persons in Viet Nam – Phase II of FS/VIE/R21 | 579,700 |
| VNM/I66 | PAF Project-HIV/AIDS and preventive education at the drug treatment centers in Viet Nam | 60,000 |
| | SUB-TOTAL | 2,850,400 |
| Hard Pipeline | | |
| VIE/H68 | Technical assistance to treatment and rehabilitation at institutional and community level | 1,649,800 |
| | SUB-TOTAL | 1,649,800 |
| Soft Pipeline | | |
| VIE/U02 | Support to national drug control and crime prevention coordination | 668,000 |
| VIE/XXX | UN Strategic Response to HIV in Viet Nam - Pilot community-based intervention in northern provinces | 100,000 |
| VIE/XXX | Drug Abuse Prevention among Ethnic Minorities in Viet Nam (Extension of VIE/04/H61) | 1,300,000 |
| VIE/H63 | HIV/AIDS prevention among injecting drug users | 933,300 |
| VIE/H64 | Prevention of drug abuse and negative social and health consequences among street children | 490,000 |
| VIE/H65 | Strengthening drug law enforcement agency information collection and sharing procedures | 745,800 |
| | SUB-TOTAL | 4,237,100 |
| | GRAND TOTAL | 8,737,300 |

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