Pilot Projects Enabling the Controlled Sale of Recreational Cannabis

Why Pilot Projects?

Pilot projects are the first step towards an evidence-based, progressive drug policy



"The aim is to learn more about the advantages and disadvantages of controlled access to cannabis and to obtain a sound scientific basis for possible decisions on the regulation of cannabis use." (BAG 2022)

Legal Basis in Germany



§ 3 (2) Narcotics Act (BtMG: Permission to traffic narcotics)

"A permit for the narcotics specified in Annex I may be granted by the Federal Institute for Drugs and Medical Devices only in exceptional cases for **scientific purposes or other purposes that serve public interest**."

Since the 1990s, various parties have attempted to use this legal basis to submit applications to the Federal Institute for Drugs and Medical Devices (BfArM) for municipal pilot projects (cf. <u>overview</u> DHV 2022, akzept e.V. 2022). So far no one has achieved approval. With the introduction of a new law on cannabis legalisation incl. an exclusion of cannabis and THC from the Narcotics Act, as envisaged in the cornerstone paper (<u>October 2022</u>), the legal basis of such an application could be changed.

Recommendations for Decision-Makers

Pilot projects should be engineered to answer questions tailored to nation-specific conditions thereby ensuring valid data results. In turn this will allow future socially relevant (political) decisions to be taken from an informed perspective. The following aspects should be given special attention in the design and implementation of projects in this country:

1) Conception & Data Collection

- Introduction of **nationwide pilot projects** to ensure comparable data across federal states
- Establish several **independent advisory and evaluation committees**, e.g. as seen in the <u>Netherlands</u>
- Collect **data before** the start of the pilot project, **during** the project phase and **after** completion for evaluation, e.g. within the framework of these **categories**:

	Health	Economy & Finance	Criminality & Security
• • • •	Health, Youth and Consumer Protection Development of consumption Cannabis dependence and addictive behaviour Mental and behavioural disorders Experiences with early intervention in problematic use Side effects and interactions Hospitalisation rate	 Tax revenues (amount, federal distribution, type of tax revenue, etc.) Other economic and labour market effects Reduction of bureaucracy Effects on black market and medicinal cannabis market General market figures (cultivation, import, distribution, licensed shops, quantities sold) 	 Effects on the development of crime and illegal cannabis trade Violations of the regulations for the protection of minors Road safety, security Experience with the regulations on fines and penalties Number of Narcotic Drugs proceedings before and after legalisation

Optional: Individualised data collection at micro level: Clinical study programme over 5-10 years with the participation of at least 3 larger communities (cities).



Factsheet: Cannabis-Legalisierung

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2) Allowing Imports in Regard to Climate Protection and Sustainability

Taking into account EU and international law, cannabis imports are permitted for scientific and medical purposes. Imports from European and non-European countries should be promoted within the framework of pilot projects with a view to the following aspects:

Climate Protection and Conservation of Resources



Cannabis production indoors (**=indoor cultivation**) is **much more energy and CO2 intensive** than in a greenhouse (**=greenhouse**) or in afield (**=outdoor cultivation**), as these data show:

- CO2 footprint of production: **2.300 5.200 kg CO2 / 1 kg cannabis** = equivalent to **burning 900 2.000 litres petrol**
- Energy consumption for lighting and environmental control: up to **5.000** kilowatt hours (kWh) of electricity / kg of dried flowers.
- This means: The indoor production of the estimated demand of 400 t / year for the recreational market in Germany corresponds to the entire household electricity consumption of Cologne, the fourth largest German
 - city with over 1.1 million inhabitants (tni 2022)

Sustainability

- The evaluation result after the project phases for the controlled distribution of cannabis is not known.
- The construction of new, **energy- and cost-intensive production** and **processing facilities** for cannabis, which may only be used during the project phase, is **not advisable** in terms of sustainability.



Imports as Part of Social Justice

Allowing imports from traditional producer countries as a **development-oriented approach** in German drug policy during the transition from the illegal to the legal market

ightarrow Relevant Criteria for the Approval of Imports in Pilot Projects:

- Approval of imports from European and non-European countries
- Preference for the production of cannabis in greenhouses or outdoors with guaranteed product quality (see <u>Factsheet Produktion Models</u>)
- Preference for producers who attach importance to sustainability & climate protection: e.g. use of solar energy; commitment to CO2 neutrality or CO2 reduction
- Refrain from building CO2- and energy-intensive indoor production facilities in Germany



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Are There Already Pilot Projects in Europe?

1) Netherlands: Controlled Cannabis Supply Chain Experiment

- The controversial **coffee shop policy** in the Netherlands states: the sale and consumption of pleasure cannabis is tolerated production and trade are prohibited.
- In 2017, the Dutch government initiated the supply chain experiment to provide results on how controlled cannabis can be legally supplied to coffee shops and what effects result (Government of Netherlands 2023).
- **10 municipalities** are supposed to participate, the start has been delayed several times. Among other things, because it was not possible to open business accounts. Expected start: autumn 2023 (Tagesspiegel Background, 23.03.2023)

2) Switzerland: Pilot Testing for Cannabis for "Recreational" Purposes

Initial Situation

- The Swiss parliament has passed an amendment to the Narcotics Act (BetmG), which has been in force since May 2021
- Article 8a BetmG allows for the conduct of local and time-limited scientific pilot trials with cannabis for "pleasure purposes".
- Details of the application procedure are regulated in the Ordinance on Pilot Trials under the Narcotics Act (BetmPV) (BAG 2022)

Framework

- **Location:** One or more municipalities
- **Period:** Maximum 5 years
- Participants: Maximum 5000 persons per pilot trial
- **Origin of cannabis:** If possible produced in Switzerland according to organic regulations, otherwise imports possible
- **Products:** Cannabis flowers, processed products, THC limit of 20%
- Points of sale: Pharmacies, cannabis social clubs or specialised shops
- **Conditions of participation:** Residence in the canton, existing cannabis use, age of majority, not suffering from contraindications
- **Distribution:** Only against payment, sales limit per month
- **Prohibition:** Passing on to third parties, advertising and consumption in public places

Procedure

- 1. Planning of a trial by study management
- 2. Selection of manufacturing partners
- 3. Submission of the applications
- 4. Review and approval of applications by the Federal Office of Public Health (FOPH)
- 5. Implementation of the pilot trials (up to 5 years)
- 6. Evaluation of the data by the study management and the FOPH
- 7. Scientific basis for future regulation of cannabis



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