State Agency
of Medicines
Republic of Latvia

2023

STATE AGENCY OF MEDICINES

ANNUAL REPORT

CONTENTS

FOREWORD

Indra Dreika,
Director

Welcome to the 2023 Annual Report of the State Agency of Medicines!

2023 can be characterised as a year of assessment, re-assessment and preparation for change.

The State Agency of Medicines, its performance and its culture of continuous development were assessed. The Agency was assessed in the Benchmarking of European Medicines Agencies (BEMA) fifth cycle (BEMA V) and received a high rating. This rating is a very high acknowledgement of the achievements of the Agency and confirms that the Agency is working according to the highest international requirements and quality standards that are applied to all European medicinal agencies. It was all our joint effort – the drafting of the self-assessment, which already raised questions and provided solutions, as well as work with the international evaluators, which proved to be valuable and stimulating for our further development. We are proud of the highest scores in individual operational and management areas, as well as the overall rating of the State Agency of Medicines, which exceeds the previous rating and confirms the level of maturity of the Agency.

In 2023, the Medicines Examination Laboratory was assessed and received attestation from the European Directorate for the Quality of Medicines and Healthcare (EDQM) as compliant with the requirements of ISO standards and international quality requirements.

In 2023, re-accreditation by the Latvian National Accreditation Bureau (LATAK) took place, within the framework of which the Medicines Examination Laboratory maintained its accreditation regarding compliance with the requirements of the LVS EN ISO/ IEC 17025:2017 standard.

The received scores confirm the professionalism of the Agency personnel and the high quality of services it provides. They demonstrate that the Agency is a reliable and equal partner in the network of medical agencies of Europe and makes an important contribution to the complex procedures involved in the marketing authorisation of medicinal products and to the scientific committees and international work groups of the European Medicines Agency.

Reassessment of the structure, the allocation of responsibilities and remuneration of staff has taken place in 2023 as an internal process. The structural changes enabled us to strengthen good governance in resource management at the administrative level, as well as in our core business – marketing authorisation of medicinal products and provision of access to medicinal products. Salary levels have been reviewed and increased in all groups of positions. The introduced competence assessment system has proven to be working well. We have been able to find excellent colleagues for critical positions.

We may have also overestimated our ability to plan and implement new functions – a safety monitoring system for medical devices. It is clear that neither we nor the industry were sufficiently prepared for the introduction of the new regulation. We address issues through regular customer days for medical device distributors, discussions and explanations to clients. However, as medical devices play an increasingly important role in medical treatment, we ensure that the vigilance system in this sector operates in compliance with the requirements of the European Union and national regulations.

Changes are expected in the pharmaceutical sector at the level of the EU, as well as at the national level. The European Union is working on a framework for health technology assessment, with the purpose of centralising it in all European countries as of 2025. The work on the regulation of substances of human origin (SOHO) has also required a lot of activity and involvement. The issues of the Pharmaceutical Package are discussed at the highest level and the personnel of the State Agency of Medicines is neither short of activities in this area, nor of the need to be constantly present in the work groups of the European Medicines Agency.

In 2023, with the support of our personnel, the development and approval of the new strategy for the period of 2023–2027 was finalised. We have set targets for the new strategy period, which we plan to make even more ambitious in 2024. Keeping the future role of the State Agency of Medicines in mind, a development plan must be drawn up for the operations of the laboratory, to ensure the ability of the Agency to reach out to the general public in the area of adverse drug reaction reporting, and for its involvement in patient compliance – responsible and informed use of medicines. The provision of medicines needed by patients is and will continue to pose multiple challenges, affected both by Latvia's small pharmaceutical market and the low state funding for medicinal products.

Our achievements in 2023 demonstrate that we are in a continuous process of improvement, which is driven by both external and internal conditions. Stability is ensured by the very high evaluation provided by personnel on their workplace and their employer, as well as the high industry rating of the institution. Our employees know and love what they are doing! The sector cannot help but feel this, and therefore they consider us a good partner. Let us continue this partnership at this challenging time!

Acknowledging our respect and gratitude
for the opportunity to be here,
Indra Dreika,
Director of the State Agency of Medicines

Vineta Logina,

Deputy Director for Evaluation of Medicines

> "The most important thing a person can do is not to change the world, but to change oneself."
>
> I. Ziedonis

For the Agency, 2023 can be seen as a year of change, development and quality. The Agency's work demonstrates beyond a doubt that quality starts within the institution and is linked to focused performance. In the light of changes in normative acts, which provide for the development and change of certain services of the Agency, as well as changes in internal processes implemented to ensure efficiency and the effective use of human resources, starting from 1 November 2023, the structure of the Agency was revised. As a result of the structural changes, I took up the role of Deputy Director for Evaluation of Medicines. I am proud to be part of this institution and a team that is ready for change to make the Agency even more efficient and productive.

In the reporting year, the Agency not only faced complex tasks and complicated situations but also challenges that have driven it to alter its way of thinking, seek new solutions, and be open to changes. In cooperation with the Ministry of Health, amendments to the Pharmaceutical Law were drafted to align it with EU legislative requirements. The amendments concerned the improvement of the regulatory framework for the development of clinical trials of medicinal products. The Agency actively started work on the pharmaceutical legislative package, examining the proposal for a pharmaceutical regulation and directive of the European Parliament and of the Council and contributing to the preparation of the national position of the Republic of Latvia. Also, based on the practical application of the requirements set out in the Regulation on reimbursement for severe or moderate damage to the health or life of a patient caused by adverse drug reactions to the COVID-19 vaccine, amendments were drafted and approved to allow both the applicant and the physician to submit a more complete dossier, which significantly reduces the administrative burden for both the Agency and the physicians involved in the review.

I am convinced that the Agency will continue to pay particular attention to ensuring that rules and decisions relating to the pharmaceutical and healthcare sector are, *inter alia*, clear, unambiguous, objective, non-discriminatory, proportionate, and based on the public interest.

ABBREVIATIONS

Agency	State Agency of Medicines
BEMA	Benchmarking of European Medicines Agencies
CAP	Centralised authorisation procedure
CHMP	Committee for Medicinal Products for Human Use
CM	Cabinet of Ministers
CTIS	Clinical trials information system
DCP	Decentralised authorisation procedure
EC	European Commission
EDQM	European Directorate for the Quality of Medicines and Healthcare
EEA	European Economic Area
EMA	European Medicines Agency
EU	European Union
HI	Health Inspectorate
HMA	Heads of Medicines Agencies
ICT	Information and communications technology
ISO	International Organization for Standardization
IT	Information technology
LATMED	Electronic database of the Registers of Medical Devices
MH	Ministry of Health
MRP	Mutual recognition procedure
NHS	National Health Service
NP	National procedure
PIC/S	Pharmaceutical Inspection Co-operation Scheme
PSKUS	Pauls Stradins Clinical University Hospital
SAMIS	State Agency of Medicines information system
SBDC	State Blood Donor centre
SEMS	State Emergency Medical Service
SoHO	Substances of human origin
UNODC	United Nations Office on Drugs and Crime

ABOUT THE AGENCY

The State Agency of Medicines is a state institution under the supervision of the Minister of Health and its operation is regulated by the State Administration Law, the Law on Public Agencies, the Pharmaceutical Law, the Medical Treatment Law, the Cabinet of Ministers Regulation No. 537 "Statutes of the State Agency of Medicines" adopted on 31 July 2012 and other normative acts. The Agency was established on 9 October 1996, based on the Cabinet of Ministers Order No. 403 "Regarding the Non-profit Organisation State Joint Stock Company "State Medicines Agency"". As of 16 February 2023, the Director of the Agency is Indra Dreika.

THE MISSION OF THE AGENCY

The Agency works in the public interest to ensure that the citizens have access to safe and effective medicinal products, medical devices and human-derived biological materials.

VISION

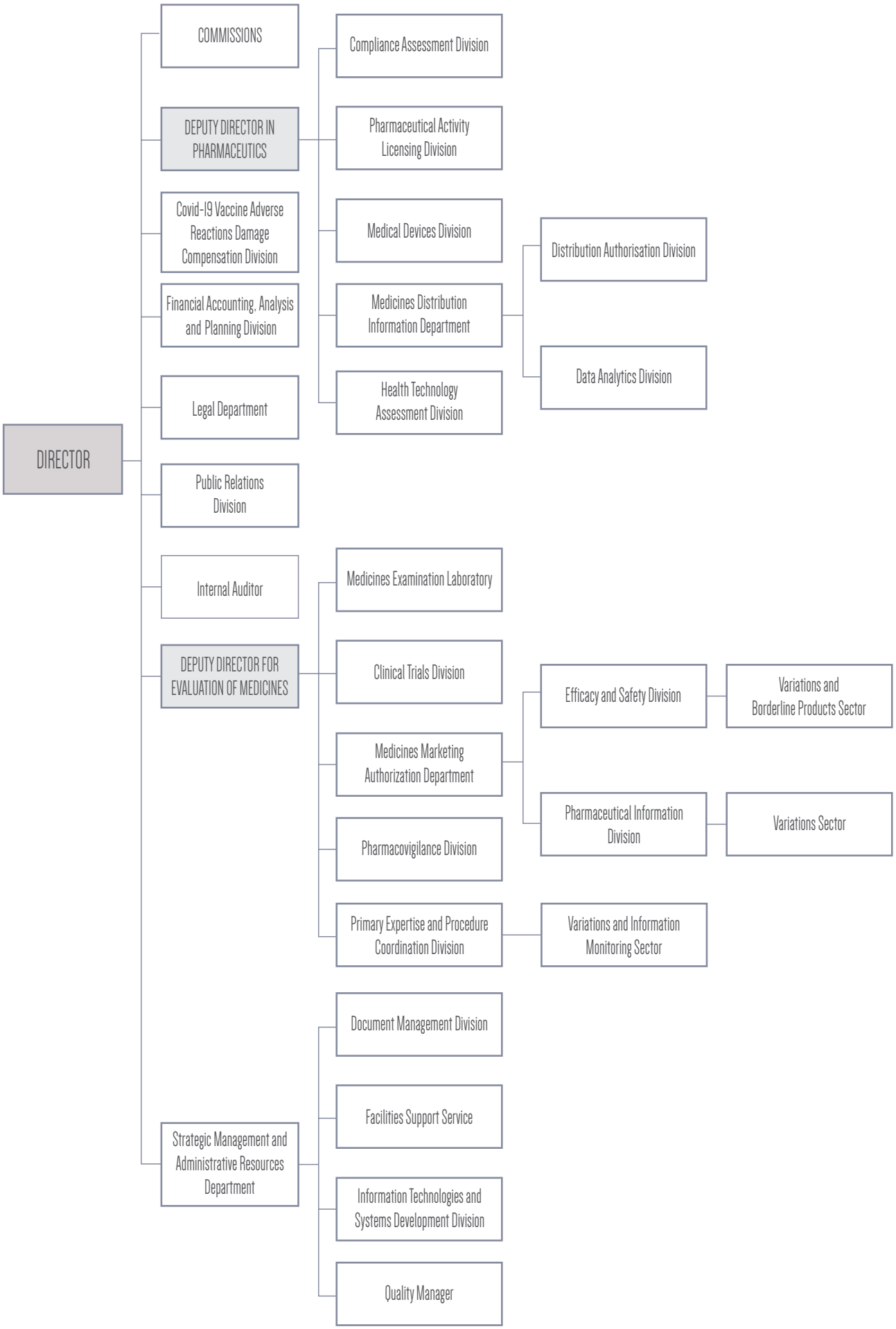
The Agency is a professional, development-oriented and high quality public administration institution, respected by the public, customers, national and international partners.

FUNCTIONS

- evaluation and authorisation of medicines
- establishment and maintenance of the Medicinal Product Register
- expertise on quality of medicines
- pharmacovigilance of medicines
- vigilance of medical devices
- issuance of authorisations for conduct of clinical trials with medicines and medical devices
- compliance evaluation of Good Clinical Practice, Good Manufacturing Practice and Good Distribution Practice
- issuance of permits for import, export, transit, distribution and utilisation of medicines
- assembly and provision of information regarding medicines consumption
- issuance of licences for pharmaceutical activity
- analysis of cost-effectiveness of medicines and medical devices
- approval of medical technologies used in healthcare
- other functions

In 2023, the State Agency of Medicines was operating as a public agency and its operation was mostly financed by income received from paid services in accordance with the CM No. 641 "Publicly Available Paid Service Pricelist of the State Agency of Medicines" adopted on 10 December 2019.

Taking into account the changes in the regulatory acts, which provide for the development and change of certain services of the Agency, as well as the changes in the internal processes, which are implemented to ensure the efficiency of work and the effective use of personnel resources, the structure of the institution was revised and on October 4, 2023, a new list of Agency's positions and the Agency's structure chart were approved.


DIRECTOR
COMMISSIONS
DEPUTY DIRECTOR IN PHARMACEUTICS
Covid-19 Vaccine Adverse Reactions Damage Compensation Division
Financial Accounting, Analysis and Planning Division
Legal Department
Public Relations Division
Internal Auditor
DEPUTY DIRECTOR FOR EVALUATION OF MEDICINES
Strategic Management and Administrative Resources Department
Compliance Assessment Division
Pharmaceutical Activity Licensing Division
Medical Devices Division
Medicines Distribution Information Department
Health Technology Assessment Division
Distribution Authorisation Division
Data Analytics Division
Medicines Examination Laboratory
Clinical Trials Division
Medicines Marketing Authorization Department
Pharmacovigilance Division
Primary Expertise and Procedure Coordination Division
Efficacy and Safety Division
Pharmaceutical Information Division
Variations and Borderline Products Sector
Variations Sector
Variations and Information Monitoring Sector
Document Management Division
Facilities Support Service
Information Technologies and Systems Development Division
Quality Manager

AGENCY ACTIVITIES IN THE REPORTING YEAR

MAIN EVENTS AFFECTING THE AGENCY'S ACTIVITIES DURING THE REPORTING YEAR

- From 31 January 2023, the single Clinical Trials Information System (CTIS) of EU Member States and EEA countries is the only place where clinical trial sponsors submit clinical trial applications and regulatory authorities assess the submitted trial information. Advice was continued to be provided to sponsors, sponsor representatives, academic sponsors and ethics committees on the use of the CTIS;
- Proactive solutions have been taken to ensure access to medicinal products: the Agency issued distribution permits for non-authorised medicinal products, parallel import, for supply of medicinal products to Latvia in packaging intended for the market of another country and addressed the marketing authorisation holder in case of potential supply disruptions with a request to provide the Latvian market with the necessary medicinal products;
- The Agency actively continued its work on the evaluation and authorisation of medicinal products, promoting the availability of authorised medicinal products with adequately proven and assessed quality, efficacy and safety to the Latvian population and providing a authorisation service to companies, which is a prerequisite for the full distribution of medicinal products on the EU market;
- Participation in the EMA's Medicine Shortages Steering Group (MSSG), set up to take coordinated EU action in the event of disruption to the supply of medicinal products caused by large-scale events or public health emergencies;
- Participation in the scientific committees and working groups of the EMA, where the Agency assessed information and data to ensure the availability of medicinal products, including vaccines, and participated and prepared assessment reports in centralised authorisation procedures for medicinal products;
- Safety monitoring of medicinal products, including vaccines, evaluation of adverse reaction reports received and awareness raising among healthcare professionals on the management of the use of medicinal products and their adverse reactions;
- Work on the implementation of Regulation (EU) 2017/745 and Regulation (EU) 2017/746 of the European Parliament and of the Council, ensuring a robust, transparent, sustainable and internationally recognised regulatory framework for medical devices and in vitro diagnostic medical devices, thereby improving the clinical safety of these devices and guaranteeing fair market access for device manufacturers;
- Participation in the development of the new European Database for Medical Devices (EUDAMED) electronic medical device registration/Unique Device Identification (UDI) system and the electronic business registration system, as well as in the development and testing of the electronic vigilance and post-market surveillance system and the electronic

clinical trials system, which will improve the monitoring and coordination of information on medical devices available on the EU market;

- Participation in the development of an implementation framework for Regulation (EU) 2021/2282 on Health Technology Assessment (HTAR);
- Work on the alignment of the Agency's draft operational strategy up to 2027 with the Ministry of Health;
- In the context of the Russian invasion of Ukraine, the Agency worked on monitoring therapeutic alternatives to medicinal products manufactured in Ukraine, Russia and Belarus, and called for the avoidance of unnecessary stockpiling of medicinal products, action to mitigate the impact of the war in Ukraine on clinical trials, inspections of pharmaceutical companies, etc;
- Provision of independent and scientifically based information on vaccines and medicinal products authorised in the EU against COVID-19 infection, their safety and the approval process, as well as dissemination of the latest information from the EMA on the progress of vaccine trials, evaluations, the role of regulatory authorities in vaccine approval, ensuring awareness raising among the Latvian public on the safe, rational use of medicinal products. This included monthly reports on the safety of COVID-19 vaccines in Latvian and regular web publications of statistics on reports of suspected adverse drug reactions to COVID-19 vaccines received in Latvia;
- Provided the public and healthcare professionals with up-to-date and evidence-based information on the availability, safety and use of medicinal products and other issues within the competence of the Agency. Overall, provision of publications and information to doctors, the public and the citizens on current vaccine and medicinal products matters. Regular EMA news on medicinal products and vaccines in Latvian and intensive cooperation with the media and health sector organisations to provide information on medicinal products and vaccines;
- Public information campaign on adverse drug reactions to medicinal products and their reporting. 340 000 people in Latvia were reached through the campaign activities (infographics and videos) on social media;
- Production of informative materials for the public and healthcare professionals on antimicrobial resistance and prudent use of antibiotics, raising awareness of the public and healthcare professionals on the correct use of antibiotics (including a report on antibacterial consumption in Latvia with an analysis of the situation in Latvia and a comparison with other EU Member States);
- Improvement of the working environment and maintenance of remote working solutions to ensure continuity of work and significantly reduce health risks for staff and clients;
- The Agency was assessed in the Benchmarking of European Medicines Agencies (BEMA) fifth cycle (BEMA V) and received a high rating, confirming that the Agency is working according to the highest quality standards applied to all European medicines agencies;
- In 2023, active work continued on the development of the Agency's information system (SAMIS) and customer service platform, assessing the most appropriate solutions with a view to linking the institution's information system SAMIS to the new platform, as well as other work and tasks were also carried out during the past year, and are described in more detail in other sections of this public report.

MARKETING AUTHORISATION OF MEDICINES

Ineta Popēna,
Head of Medicines Marketing Authorisation Department:

"The principal duty of the Medicines Marketing Authorisation Department is to ensure the scientific evaluation of the marketing authorisation dossiers of medicinal products submitted by the pharmaceutical companies. A positive decision regarding the marketing authorisation of a medicinal product means that the medicinal product has been manufactured in compliance with the requirements, possesses proven efficacy and a positive risk-benefit ratio, and has an adequate safety monitoring plan. Therefore, the personnel of the Medicines Marketing Authorisation Department, in close cooperation with the colleagues from the Primary Expertise and Procedure Coordination Division and the Pharmacovigilance Division, make a significant contribution to the availability of high-quality, efficient and safe medicinal products to the population of Latvia. We are also taking an active leadership role in scientific evaluation work within the framework of various international authorisation procedures and are focused on developing our competences to meet the growing demand and to ensure a consistently high quality of the evaluation of marketing authorisation dossiers, including evaluation of innovative medicinal products and evaluation within the framework of complex marketing authorisation procedures."

Last year, Latvia ensured marketing authorisation and renewal of 27 medicinal products via mutual recognition procedures (MRP) and decentralised procedures (DCP) as a Reference Member State.

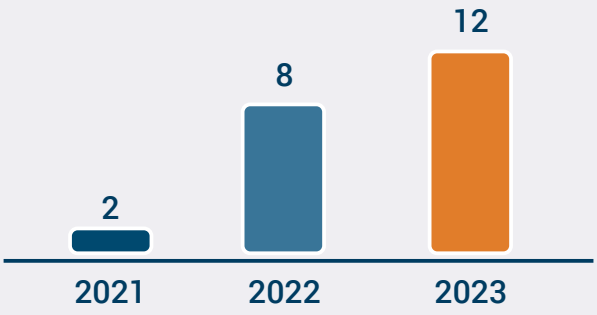
Latvia also participated in 334 MRP and DCP marketing authorisation and renewal procedures as a Concerned Member State.

Overall, in 2023, in comparison to the previous years there was a decrease in the number of marketing authorisation variations evaluated by the Agency, which could be explained by international restrictions due to COVID-19 and by geopolitical processes that have in turn affected the operation of pharmaceutical companies.

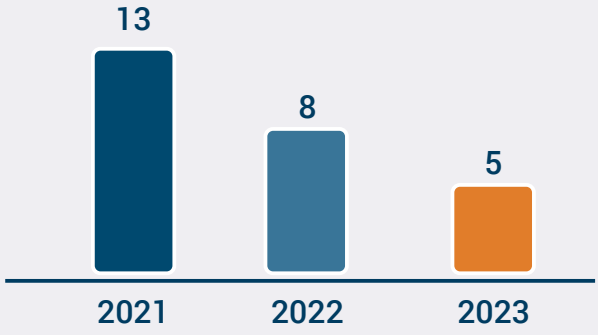
Agency experts evaluated 3 applications and issued their opinion on product compliance with the definition of medicines.

Last year, the Agency also issued 4 Certificates of Free Sale and 265 Certificates of Pharmaceutical Products, thus, promoting export of medicinal products authorised in Latvia to countries outside of EU. These certificates verify that companies manufacture medicines in compliance with Good Manufacturing Practice – according to strict and common quality standards and requirements.

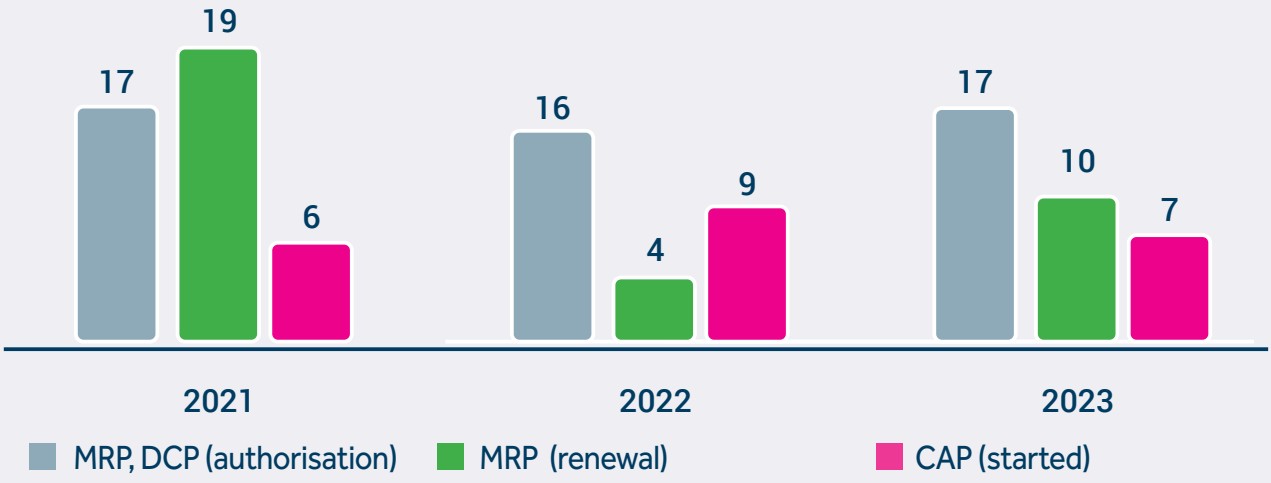
Marketing authorisations via national procedure with positive outcome



Medicinal product renewals via national procedure



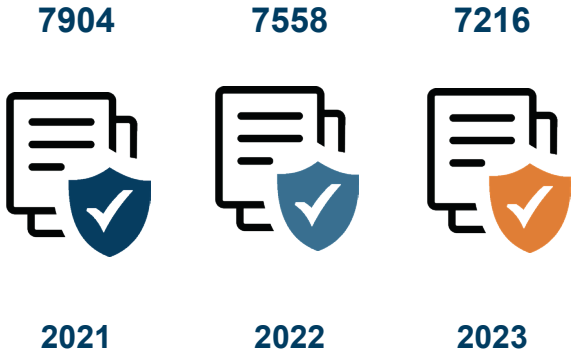
Marketing authorisations and renewals (Latvia as a Reference Member State)



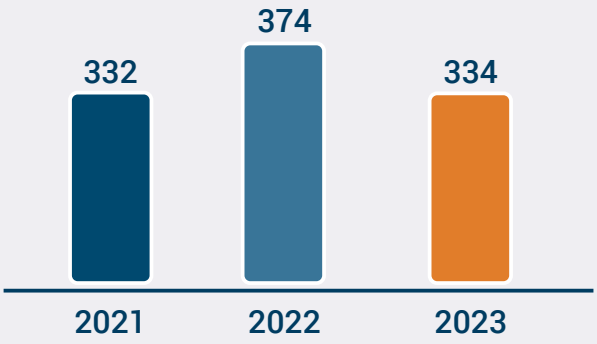
Last year, the activity of Agency's experts in international procedures of European medicines regulatory network was very significant, similarly as in the previous years. In addition, the experts of the Agency carried out scientific evaluation for 7 centralised marketing authorisation procedures (CAP) which were started in 2023, as well as for variations of CAP authorised medicines.

Experts from the Medicines Marketing Authorisation Department together with external experts actively participated in the work of the Committee for Advanced Therapies (CAT), Committee for Orphan Medicinal Products, Committee on Herbal Medicinal Products and other committees. Experts regularly participated in the work sessions of

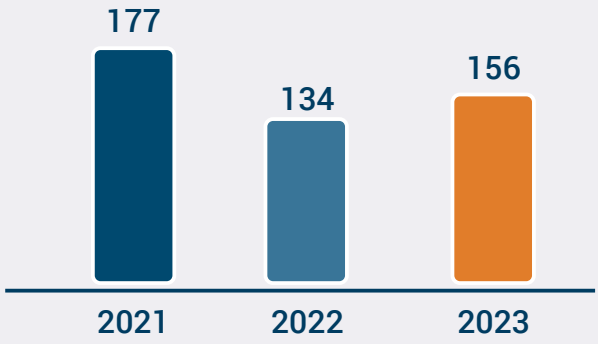
VARIATIONS TO MARKETING AUTHORISATION DOCUMENTATION



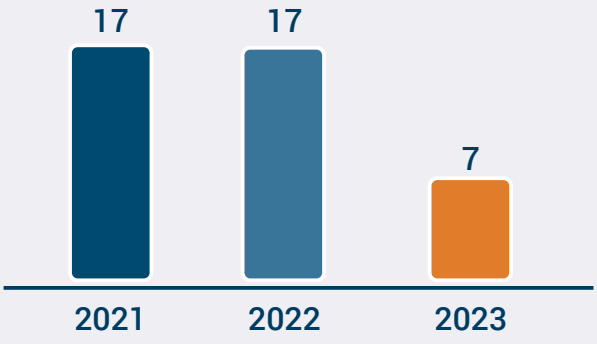
Marketing authorisations and renewals (Latvia as a Concerned Member State) with positive outcome



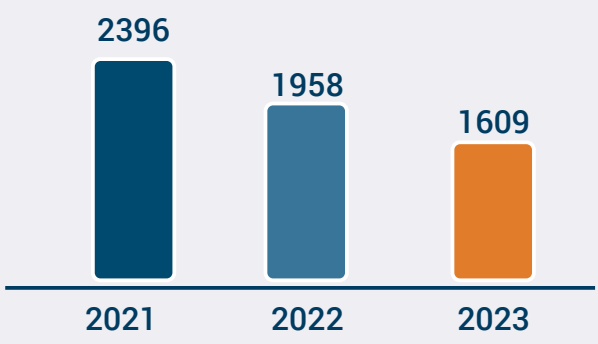
Type IA/IB variations (Latvia as a Reference Member State) with a positive outcome



Type II variations (Latvia as a Reference Member State) with a positive outcome



Variations via national procedure



EDQM as external experts.

By participating in the EMA Scientific consulation working group, Agency's marketing authorisation experts in collaboration with outsourced experts have provided scientific consultations regarding 25 aspects of medicinal product development, research and authorisation.

By the end of the period of review, the Agency had:

- carried out a scientific evaluation of more than **7667** applications for marketing authorisation, renewal and variations to marketing authorisation documentation of medicines by reviewing data and evidence included in medicines marketing authorisation documentation that confirm quality, safety and efficacy of medicines. Reviews included also administrative information, as well as chemical, pharmaceutical, preclinical and clinical sections of the documentation and pharmacovigilance documents;
- out of all the applications evaluated, the Agency has taken a positive decision on authorisations and renewals of **378** medicinal products;
- evaluated **6974** applications for variations to marketing authorisation documentation of medicines with a positive outcome.

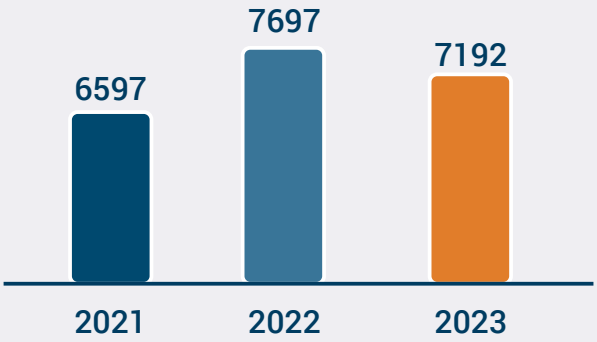
MEDICINAL PRODUCT DISTRIBUTION

Katrīna Lukša,
Head of Medicines Distribution Information Department:

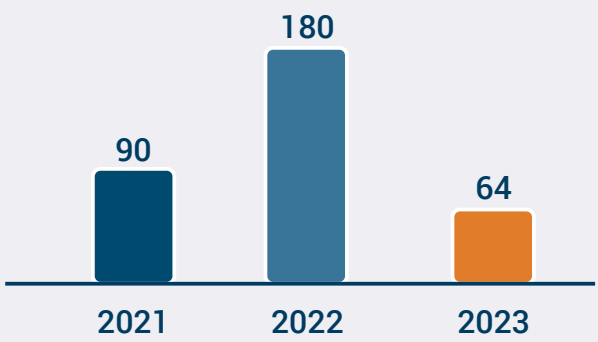
"In 2023, a major focus globally, in Europe and Latvia, still remained on ensuring the continued availability of medicines: both in terms of the stable availability of specific medicines (e.g., for medicines experiencing problems in the previous year – antibiotics such as amoxicillin (especially child dosage forms), betahistine or medicines for treating diabetes – GLP-1 receptor agonists) and in terms of strengthening supply chains in general. To achieve these goals, the Department was, among other things, not only actively involved in the development of the Latvian National List of Critical Minimum Medicines but also participated in the international working group that developed the European List of Critical Medicines (the first version was published in December 2023). Also, to ensure the timely availability of medicines to Latvian patients, smooth assessment of applications and issuing of permifts for import, export and distribution of medicines was an important objective, including active outreach to stakeholders (wholesalers, marketing authorisation holders, professional medical associations, etc.). To further facilitate the notification of the distribution of medicines in packaging intended for the market of another country by marketing authorisation holders and their authorised representatives, an online form to be completed electronically was introduced on the website of the Agency (a workshop was also organised to introduce the new possibilities)."

In its daily work, the Agency focused on and used various mechanisms aimed at improving the availability of medicines – the Agency actively monitored the situation with the availability of medicines in Latvia at a given time, and the Agency actively addressed marketing authorisation holders and wholesalers, informing them about possible ways to provide Latvian patients with the medicines they need, for example, the possibility to coordinate the distribution of packaging intended for the market of another country, obtaining distribution permits for unauthorised medicines, including obtaining

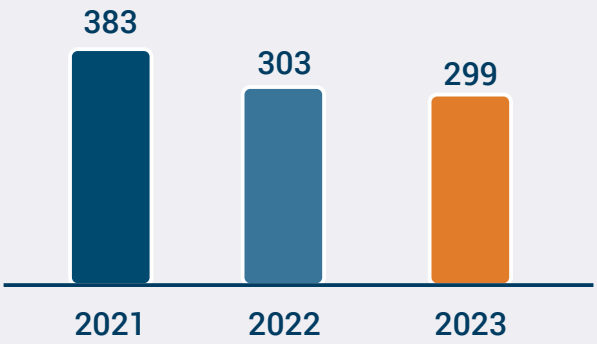
Permits for distribution of unauthorised medicines



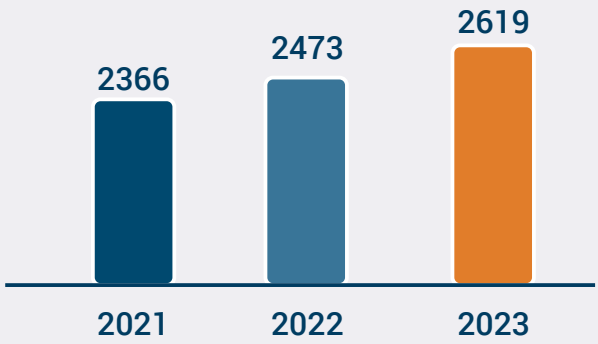
Number of permits for parallel import



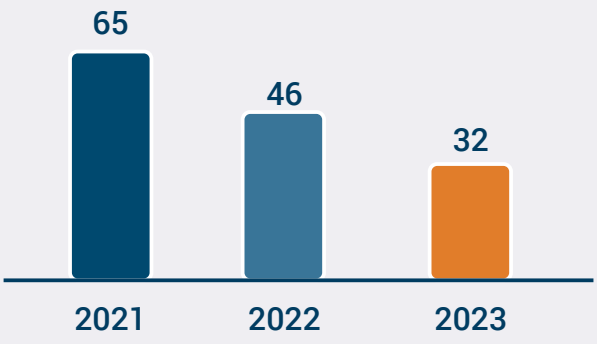
Number of variations to permits for parallel import



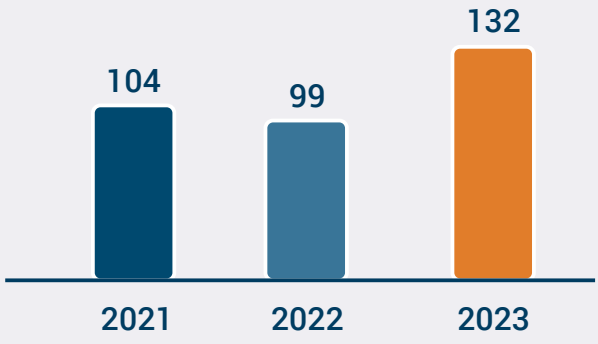
Permits for import/ export of narcotic, psychotropic medicines/ substances and precursors



Permits for import of samples of medicines



Permits for supply of medicines to other EU member states or export of medicines



annual permits, etc.

In 2023, the Agency issued 9,907 permits for the import, export, transit and distribution of medicines, maintaining the average timeframes for issuing permits (e.g., 2 days for import/export permits for narcotic, psychotropic substances and precursors controlled in Latvia, 98.4% of distribution permits for parallel imported medicinal products were issued within 30 days), thus ensuring that operators who submitted all the necessary documentation were issued permits expeditiously.

The Agency ensured expertise on applications and documentation related to distribution of the following medicinal products in accordance with the normative acts:

- for import and export of psychotropic, narcotic medicinal products/ substances, as well as precursor;
- for distribution of unauthorised and parallel imported medicinal products
- for import of medicinal product samples;
- exemptions from the application of the Sunset Clause.

The Agency also carried out an expert examination of applications and documents and issued 8 registration cards to precursor operators.

In 2023, the total number of applications and notifications for the distribution of medicinal products in packaging intended for the market of another EU/EEA country increased significantly and the Agency also received 397 such applications and notifications. In the case of notifications, a response was provided within one day in 100% of cases. Thus, it was ensured that Latvian patients primarily have access to the medicines they need, including through the reimbursement system.

Thanks to active communication with professional medical associations and wholesalers, the number of distribution permits for unauthorised medicines with a term of validity of one year has been increased, enabling the reduction of the number of distribution permits for unauthorised medicines granted individually each time. This reduces the burden on both merchants and the Agency and ensures faster access to medicines for patients.

Information on sales of medicines provided by wholesalers was compiled on a monthly basis and information on statistics on the consumption of medicines in 2023 and prices of medicines was published on the website of the Agency.

The Medicines Distribution Information Department has taken an active part and, in cooperation with the Ministry of Health, the Ministry of Defence and SEMS, has developed the Latvian National List of Critical Minimum Medicines (the list that would be applicable to emergency situations in the country). The Agency also participated in an international working group on the European List of Critical Medicines, the first version of which was published in December 2023. In developing the list, the criticality of indications of specific medicines and the presence or absence of alternative medicines was assessed.

In 2023, the accounting and control of the legal circulation of narcotic substances, psychotropic substances and precursors controlled in Latvia was successfully ensured. This includes not only the preparation and submission of quarterly and annual reports to the International Narcotics Control Board

and the European Commission but also participation in the in the expert working group on Precursors of narcotic substances, as well as in the 66th session of the UNODC Narcotics Control Committee.

In order to ensure that medicines are available to Latvian patients and not brought out or exported, the Agency continued to monitor the availability of medicines for which a financial participation agreement has been concluded between the NHS and the marketing authorisation holder or the wholesaler. The list of relevant medicinal products was regularly maintained and updated, merchants were informed and the expert examination of applications for the exportation/export of medicinal products was conducted.

In 2023, active work has also been performed in developing amendments to laws and regulations:

- proposals were provided for amendments to the Pharmaceutical Law,
- the Agency took an active part in preparing explanations and proposals, providing support to the Ministry of Health for the amendments to the law 'On the Procedures for the Coming into Force and Application of the Criminal Law',
- amendments to the 17 January 2006 Cabinet Regulation No. 57 Regulations Regarding Procedures for the Labelling of Medicinal Products and the Requirements to Be Set for the Package Leaflet of Medicinal Products were being prepared,
- amendments to the 26 June 2007 Cabinet Regulation No. 416 Procedures Regarding the Distribution and Quality Control of Medicinal Products.

To ensure that safe and effective medicines reach Latvian patients, the Department has provided support in the assessment of the authorisation and post-authorisation of medicinal products, as well as in the assessment of clinical trial dossiers (by assessing the sections of the dossiers related to the assessment of statistical methods and study designs):

- 4 European centralised authorisation procedures: participation in the assessment of the efficacy section, including the evaluation of statistical methods, review of validation study protocols,
- 1 scientific advice on clinical trials,
- 3 assessments of the statistical analysis section of clinical trial protocols,
- 5 Pharmacovigilance Risk Assessment Committee (PRAC) procedures, where protocols of post-authorisation safety study (PASS) evaluation procedures were assessed.

The business processes of the Agency have been supported and streamlined (e.g., through automated reports generated via Business Intelligence tools) to improve decision-making (including on the import, distribution and promotion of availability of the assessed and safe medicines) and to facilitate easy access to and use of the necessary information. The Department has also ensured the extraction of information and the processing and analysis of data held by the Agency, providing responses to both public and clients to the questions under the competence of the authority, as well as to ad-hoc data requests.

CLINICAL TRIALS WITH MEDICINES

Jana Migliniece,
Head of the Clinical Trials Division:

"In 2023, the Clinical Trials Division continued its work in the unified European Clinical Trials Information System (CTIS) alongside its work in the EudraCT database, taking on the role of reporting Member State for 3 transitional* clinical trials of medicinal products and 2 multinational clinical trials. Clinical trials were reviewed in collaboration with the Ethics Committee of the Development Society of PSKUS and other EU competent authorities. Last year, the Agency took part in the Clinical Trials Expert Working Groups set up by the EC and the HMA, contributing to the harmonisation of EU clinical trial authorisation and in the EMA's Good Clinical Practice Inspectors Working Group to harmonise inspection procedures."

In 2023, the Agency issued 49 authorisations for conduct of clinical trials of medicinal products in Latvia.

Last year, a total of 6 Good Clinical Practice compliance inspections were carried out in clinical testing centres in Latvia and abroad, including an inspection initiated by the EMA. One of the inspections was signal-initiated.

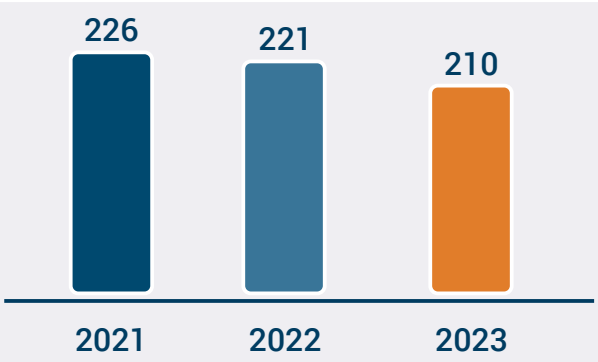
During the reporting year, information on the completion of clinical trials on medicinal products, as well as on good clinical practice inspections was regularly provided to the EU Clinical Trials Database (EudraCT). Regular submission of these data is necessary to maintain and update the EU Clinical Trials Register.

In the reporting year, Latvian clinical trial centres provided 2 initial and 21 follow-up reports of serious unexpected adverse events potentially related to investigational medicinal products.

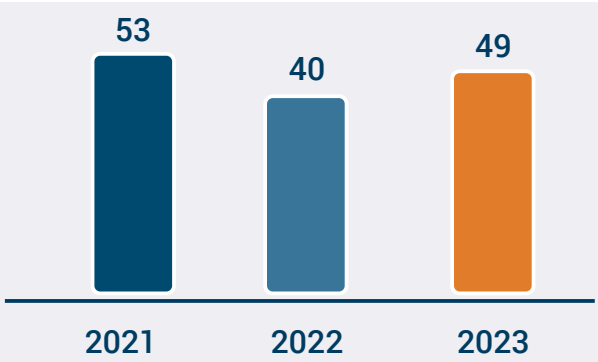
A total of 124 annual safety reports prepared by sponsors for clinical trials of medicinal products in Latvia were received and reviewed by the Agency.

To promote the coordinated safety asses-

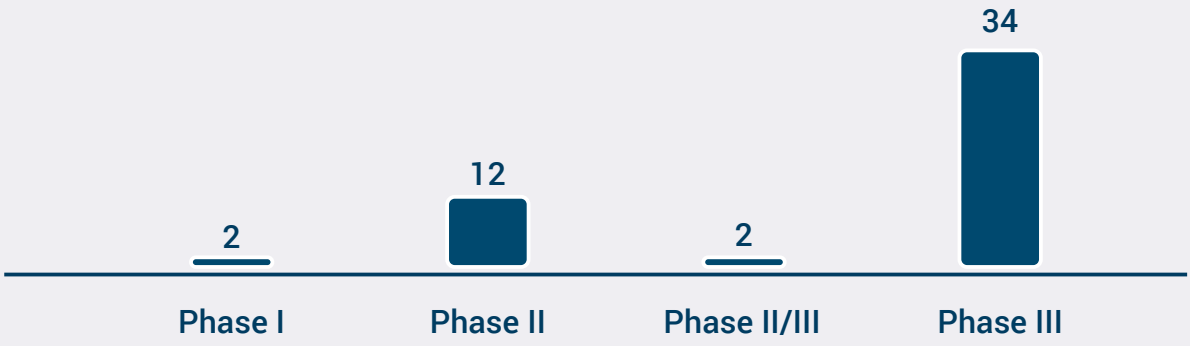
Total number of clinical trials conducted in Latvia



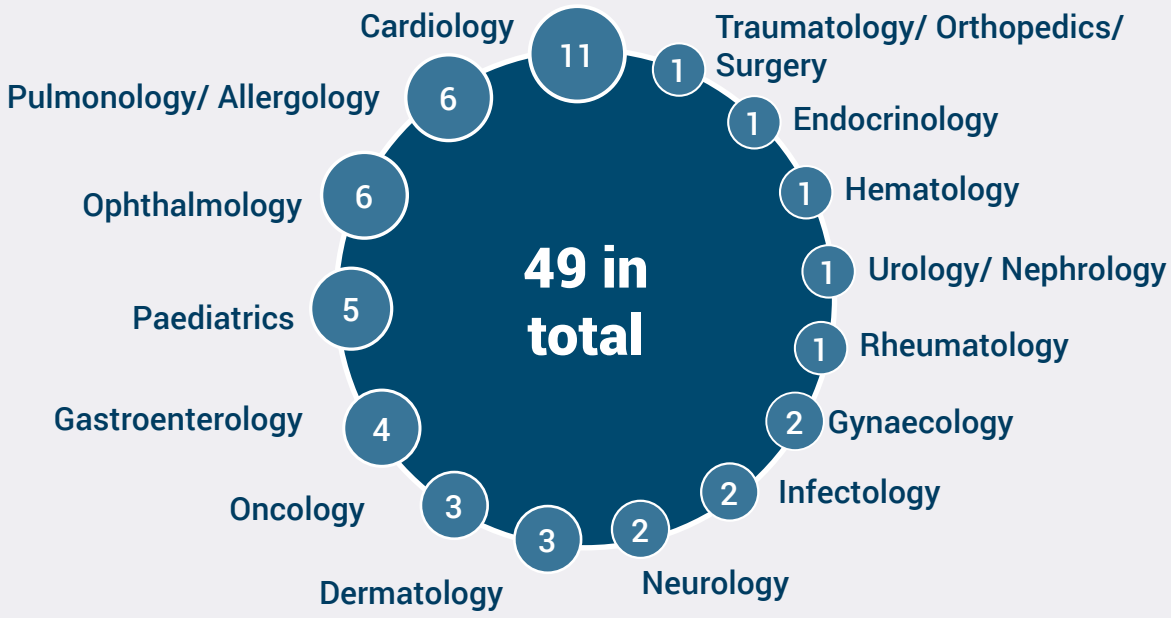
Authorisations for clinical trials



Number of clinical trials authorised in 2023, according to trial phase



Number of clinical trials authorised in 2023, according to medical specialty



sment of investigational medicinal products among EU Member States, the EU4Health-supported project SAFE-CT was continued, within the framework of which Latvia provided safety monitoring for 6 investigational medicinal products.

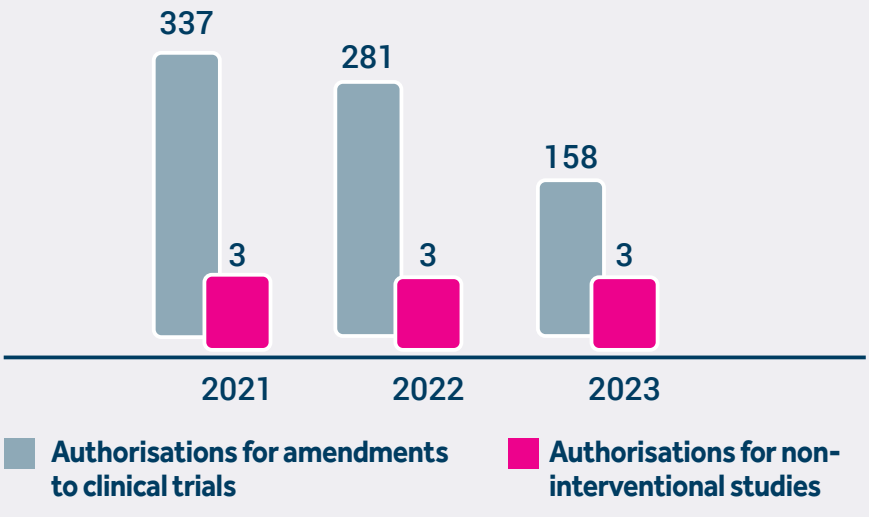
A total of 40 foreign pharmaceutical companies have sponsored authorised clinical trials of medicinal products. In 2023, 36 contract research organisations were involved in the organisation and quality assurance of authorised clinical trials in Latvia according to authorisation issued by sponsors. Last year, proposals were made to the Ministry of Health for necessary amendments to national regulatory enactments.

* Transitional clinical trials are trials that have been approved in accordance with the requirements of the Clinical Trials Directive 2001/20/EC and whose sponsor has decided to modify documentation as stipulated by the requirements of the EU Regulation 536/2014 by submitting it in CTIS.

Trial sites of medicinal product clinical trials authorised in 2023

Trial site	Number of trials
State LLC "Pauls Stradins Clinical University Hospital"	38
Riga Eastern Clinical University Hospital	21
LLC "Daugavpils Regional Hospital"	12
LLC "Liepaja Regional Hospital"	11
LLC "Riga 1st Hospital"	9
"Veselības Centrs 4"	6
State LLC "Children's Clinical University Hospital"	6
LLC "Vidzeme Hospital"	5
Digestive Diseases Centre ''Gastro''	5
JSC ''Health Centre Union'', medical centre "OLVI	4
LLC ''Northern Kurzeme Regional Hospital''	4
Ltd. ''Consilium Medicum''	4
Ltd. "Daces Teterovskas ārsta prakse endokrinoloģijā"	3
Ltd. ''LU Medicīniskās pēcdiploma izglītības institūts'' (LUMPII)	3
Ltd. ''Adoria''	3
JSC ''Veselības centru apvienība" Dubulti Polyclinic	2
LLC ''J. Ķīsis''	2
Aija Šmite medical practice in dermatology, venereology	2
LLC ''Union of Balvi un Gulbene Hospitals''	2
Other clinical trial sites (26 in total)	1 trial at every site

Authorisations for amendments to clinical trials and authorisations for non-interventional studies in 2023



MONITORING OF ADVERSE DRUG REACTIONS AND RISK MINIMISATION

Zane Stade,
Head of Pharmacovigilance Division:

"In 2023, the experts of the Pharmacovigilance Division focused on the dissemination of medicines safety information to the public and healthcare professionals. To discover the experience, awareness and knowledge of doctors and pharmacists regarding risk minimisation materials, as well as to understand their views, and to find solutions for effective communication of medicines safety issues to doctors and pharmacists, the Agency has carried out a survey of these professionals. The assessment of the results has led to a number of recommendations that we will try to implement in our future work, and we also intend to present the results to Agency colleagues, physicians, and marketing authorisation holders during the Client Days. The survey results will also be presented at the Pharmacovigilance Risk Assessment Committee (PRAC) Strategic Review and Training Meeting in 2024 to discuss improvements to the standard form of the 'Direct Healthcare Professional communication'.

We would also like to note that, in view of the observed decrease in the adverse drug reactions (ADR) reporting activity compared to the COVID-19 vaccination campaign, experts from the Pharmacovigilance Division in 2023 started planning a QR code project aiming to facilitate ADR reporting by scanning a QR code with a mobile phone. The proposed activities will raise public awareness of ADR and reporting possibilities, as well as of the Agency's activities."

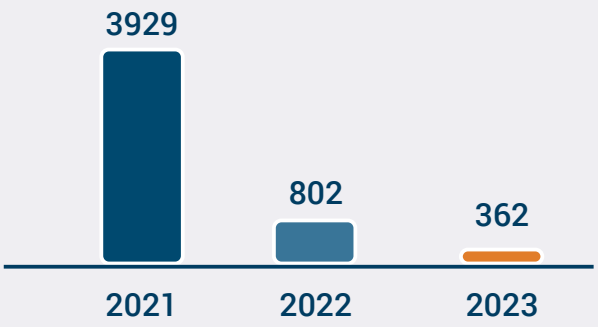
In 2023, the State Agency of Medicines received 362 adverse drug reaction reports, including reports related to adverse reactions to vaccines. The information received in the reports was evaluated, duly prepared, and forwarded to the EudraVigilance common database in the EU. Last year, 53% of reports to the Agency were submitted by healthcare professionals and pharmacists and 47% – by the general population.

Almost all adverse drug reaction reports were received in electronic format. The Agency's pharmacovigilance experts and IT specialists have regularly worked on improving the electronic reporting form to facilitate data entry in reports and improve the quality of electronically submitted reports. The improved Adverse Drug Reaction Reporting Information System is now user-friendly for daily work and obtaining statistical data.

The Agency's pharmacovigilance experts have also carried out an in-depth causality assessment of adverse drug reactions and 17 assessments have been prepared in 2023 within COVID-19 vaccine adverse drug reactions reimbursement claims. Latvian experts' experience in assessing the causality of COVID-19 vaccine adverse drug reactions in reimbursement claims was presented at the Baltic Meeting.

Under the EU Periodic safety update report single assessments (PSUSA), the Agency's pharmacovigilance experts evaluated the periodic safety update reports for active substances where EMA has assigned responsibility to Latvia as a reference member state. In 2023, the pharmacovigilance experts have carried out 16 single assessment procedures.

Adverse drug reaction reports



In 2023, in accordance with the EMA worksharing procedure, the Agency's experts monitored 29 active substances for signals, i.e. carried out a regular monitoring of safety information on these substances, and concluded one in-depth signal assessment procedure at European countries level, where Latvia played the leading expert role.

In Latvia, following a serious adverse drug reaction report of a dispensing error in a pharmacy for a 50 mg iodine-containing medicine intended for use in the event of a nuclear incident, a national level alert was raised and evaluated. As a result, in cooperation with the Pharmacists' Society of Latvia, measures were taken in pharmacies to address the potential risk to the public and a Direct Healthcare Professional (Pharmacist) communication was distributed.

Last year, the pharmacovigilance experts also carried out evaluation of Risk Management Plans and assessment reports drafting in 48 national authorisation procedures (including mutual recognition and decentralised procedures), as well as provided comments to Member States on 18 worksharing procedures. Moreover, the pharmacovigilan-

ce experts have been actively involved in the EMA's delegated tasks: as a rapporteur for the Pharmacovigilance Risk Assessment Committee (PRAC) in 10 authorisation/ variation and 4 post-authorisation safety study (PASS) evaluation procedures, whereas in collaboration with clinical experts in the Committee for Medicinal Products for Human Use (CHMP) working group, in 4 procedures safety considerations were assessed. Comments and Latvia's views to PRAC were given on 3 referrals and 10 PSUSAs.

In 2023, the Agency harmonised a total of 106 additional risk minimisation materials for physicians and patients, designed to minimise the risks of specific medicines. As a result, physicians have received 26 'Direct Healthcare Professional communications' with important, up-to-date information on medicines safety, as well as educational materials for both doctors and patients providing information on how to eliminate or minimise the risks of prescribed medicines.

Healthcare professionals received regular updates following the monthly meetings of the PRAC Working Group with the participation of the Latvian representative, who presented the pharmacovigilance expert assessments. Medical associations and healthcare professionals in Latvia were regularly informed about PRAC decisions on medicines safety and risk minimisation recommendations.

The Agency's pharmacovigilance experts have also made a significant contribution to informing the public and healthcare professionals about ADR reporting and other issues related to the safety of medicines, through media interviews, an online event organised by the Pharmacists' Society, and the electronic publication 'Cito!'.

Information exchange on pharmacovigilance issues with the EMA and European national medicines agencies also took place, with responses to 23 information request documents (NUI – Non urgent information) from EU Member States. A NUI was also prepared and sent to other Member States by the Agency with a request for information during the local signal assessment procedure.

COMPENSATION FOR DAMAGE FROM ADVERSE REACTIONS TO COVID-19 VACCINES

Inārs Švarcs,
Head of COVID-19 vaccine adverse reactions damage compensation division

> "In 2023, the Agency received 95 compensation claim applications in cases when a serious or moderately serious damage to the health or life of a person was inflicted due to adverse reactions caused by vaccination against COVID-19 infection, which is 17 applications less compared to the previous year. Last year, the Agency decided to provide compensation in 7 cases."

In 2023, a total of EUR 50,000 was paid as compensation (with EUR 5,000 being provided in 4 cases and EUR 10,000 – in 3 cases).
Since 2022, when the Government approved the Cabinet Regulation regarding compensation for serious or moderately serious damage to the health or life of a patient inflicted due to adverse reactions caused by vaccination against COVID-19 infection, compensation was granted in 11 cases in total.

QUALITY CONTROL OF MEDICINES

Guntars Kaspars,
Head of the Medicines Examination Laboratory:

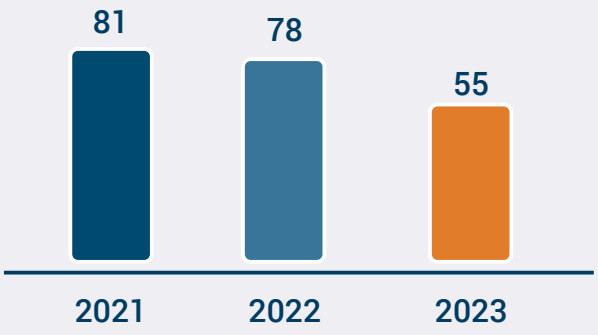
"In 2023, re-accreditation by the Latvian National Accreditation Bureau (LATAK) took place, within the framework of which the Medicines Examination Laboratory maintained its accreditation regarding compliance with the requirements of the LVS EN ISO/IEC 17025:2017 standard in the following areas: physical and physicochemical testing of medicinal products, pharmaceutical active ingredients and excipients (fixed and flexible fields) and physical testing of purified water (fixed field).

In 2023, the Medicines Examination Laboratory received attestation from the EDQM MJA as compliant with the requirements of 17025:2017, the EDQM guidelines, their use, and meeting and compliant with the European Pharmacopoeia requirements.

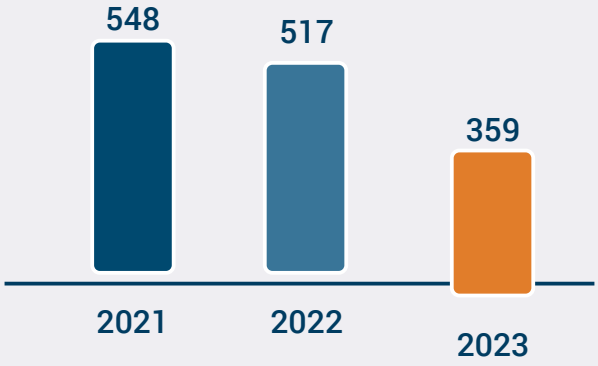
Successful audits are important proof of the quality of the Agency's professional performance. The compliance certification ensures that our clients can remain confident in our work – industry professionals, business partners in Latvia and abroad, and people in Latvia can rely on the quality of the Agency's performance."

Laboratory's specialists participated in international programs for quality control of medicines and professional level evaluation programs, i.e. quality control programs for medicines authorised in the CAP, MRP/DCP and NP as well as in the professional level evaluation programs provided by EDQM and Royal Dutch Pharmacists Association.

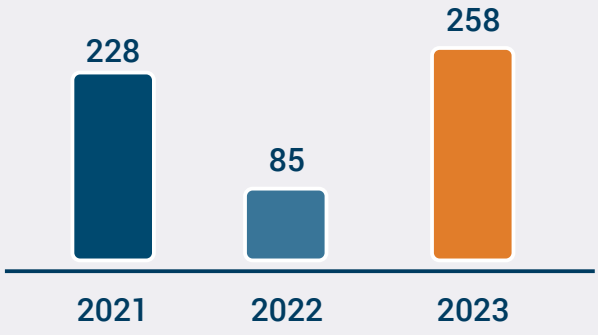
Number of medicinal product samples tested



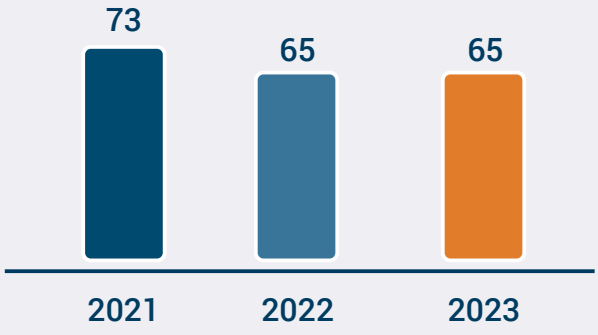
Number of medicinal product quality parameters tested



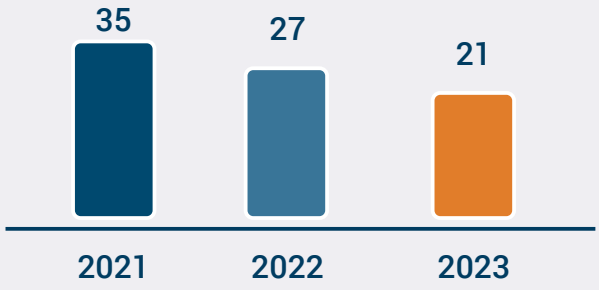
Number of volumetric solutions, indicators and reagents tested upon request from pharmacies



Number of purified water samples tested



The conducted expertise for medicinal products upon request from the Agency's Medicines Marketing Authorisation Department, assessing the methods for analysis of active substances and/ or end-products and their validation



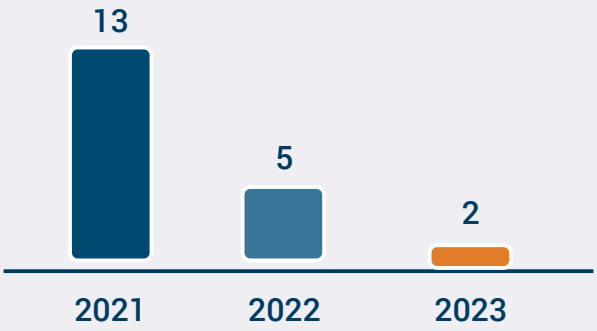
MONITORING, CLINICAL RESEARCH AND VIGILANCE OF MEDICAL DEVICES

Andis Viļums,
Head of Medical Devices Division:

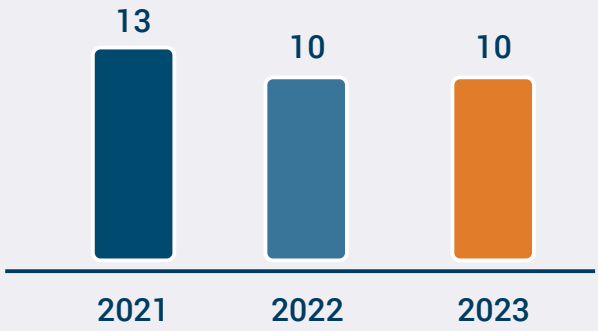
"The consequences of the COVID-19 pandemic, the shortage of raw materials due to the geopolitical situation and the low capacity of notified bodies to certify medical devices put the medical devices sector under strain in 2023. In order to address the risks of shortages of medical devices needed to provide healthcare to patients in a timely manner, the transitional periods for Regulation (EU) 2017/745 were extended in March 2023. The extension is intended to only apply under certain conditions to medical devices that are safe and for which their manufacturers have taken specific measures to comply with the requirements of Regulation (EU) 2017/745. This way, the necessary level of patient safety and the availability of medical devices needed for the smooth provision of healthcare services in Latvia will also be ensured henceforth."

To promote the export capacity of Latvian manufacturers outside of the EU, last year the Agency issued 32 certificates of free sale to medical devices manufactured in Latvia. Even though in 2023, Latvian manufacturers of medical devices received 14% fewer free trade certificates compared to 2022, the figures for the past three years show that Latvian manufacturers of medical devices have maintained stable exportability.

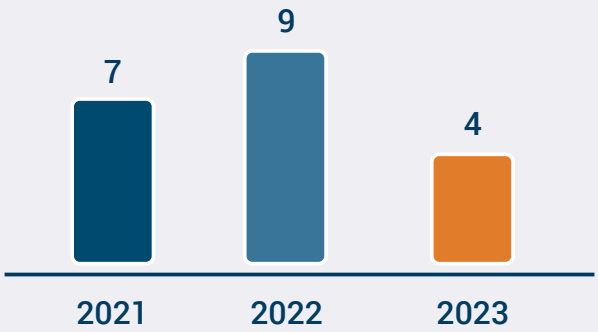
Latvian medical device manufacturers and their medical devices: information analysed and included in the Medical Device Database LATMED



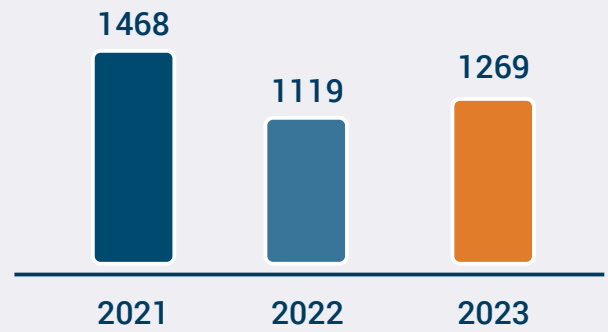
Authorised representatives of third country medical device manufacturers in the EU who have registered business in Latvia: information evaluated and included in the Medical Device Database LATMED



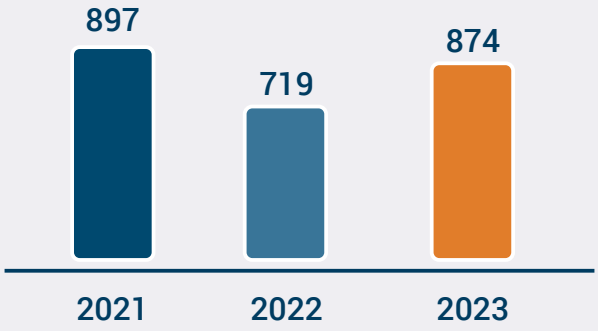
Authorisations for clinical trials with medical devices (permits issued)[1]



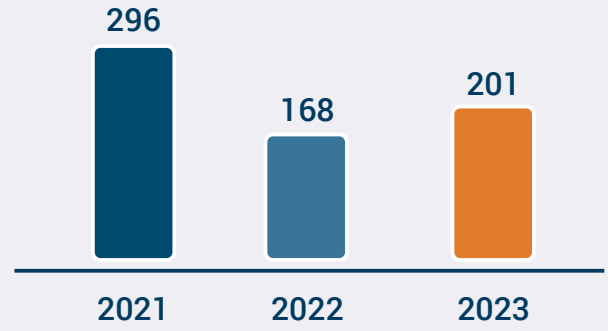
Vigilance[2] reports regarding medical devices (total number of reports received by the Agency)



Primary vigilance[2] reports regarding medical devices (number of primary reports received by the Agency)



Primary vigilance[2] reports regarding medical devices located in Latvia and implementation of safety monitoring measures



[1] Authorisations for conduct of clinical trials with medical devices and authorisations for amendments to the research plans of clinical trials already being conducted.

[2] The medical device vigilance system is a unified EU reporting system for incidents involving medical devices, corrective measures taken by manufacturers or competent authorities and for evaluation of reports and information. The objectives of the vigilance system are 1) to prevent repeat incidents, 2) to protect patients by using the medical device incident reporting system in all EU member states, 3) to ensure that member states may simultaneously identify non-compliant medical devices on the market and in use.

HEALTH TECHNOLOGY ASSESSMENT

Antra Fogele,
Head of the Health Technology Assessment Division:

"In 2022, Regulation 2021/2282 of the European Parliament and of the Council on Health Technology Assessment (HTAR) entered into force. It requires that from 2025, new medicinal products for cancer treatment and advanced therapy medicinal products are subject to a joint clinical assessment in the EU. In 2023, intensive preparations were carried out for the implementation of the HTAR, the development of health technology assessment tools, methodologies, and procedures necessary for its implementation, aimed at faster clinical assessment of health technologies (including medicinal products and medical devices) followed by availability to patients in the European Community and Latvia.

Experts from the Health Technology Assessment Division are involved in the work of the HTAR implementation Steering Group and the HTA Committee, as well as in sub-groups for joint clinical assessment, joint scientific consultations, methodological and procedural guidance, and identification of emerging health technologies.

The implementation of the Regulation in the future will have an impact on certain stages of the process of assessment of new medicinal products established in Latvia."

Opinion on clinical and cost-effectiveness of new nonproprietary names or new combinations of medicines

In 2023, the Agency received 52 applications and prepared 47 opinions.

Opinions provided according to diagnostic groups (according to the International Classification of Diseases (ICD-10)):

- Neoplasms – 28 opinions (60%)
- Endocrine, nutritional and metabolic

diseases – 4 opinions (9%)
- Diseases of the nervous system – 4 opinions (9%)
- Diseases of the digestive system – 3 opinions (6%)
- Diseases of the circulatory system – 2 opinions (4%)
- Diseases of the eye and its accessory organs – 1 opinion (2%)
- Diseases of the blood and blood-forming organs and certain disorders involving the immune mechanism – 1 opinion (2%)
- Diseases of the musculoskeletal system and connective tissue – 1 opinion (2%)
- Congenital malformations, deformations and chromosomal abnormalities – 1 opinion (2%)
- Factors influencing health status and contact with health services – 1 opinion (2%)
- Diseases of the genitourinary system – 1 opinion (2%)

18 of all the opinions provided in 2023 (38%) were related to the treatment of orphan (rare) diseases. In comparison, in 2022, the Agency prepared 49 opinions, including 24 (49%) on orphan diseases.

As the Agency's opinion is a required step towards the opportunity for reimbursement of new medicines from the state budget, according to the information available on the website of the National Health Service, 41 application, for which Agency's opinion was issued, have been submitted for inclusion in the system for reimbursement of medicinal product expenses.

In 2021, public involvement in the medicinal product assessment process began. After gathering experience from other countries and consulting patient organisations and medical professional associations, separate questionnaires have been developed for medical practitioners and patients, where stakeholders can express their views on the specific role of new medicinal products in the treatment of a particular disease, the expected benefits and unmet medical needs. Completion of such a questionnaire is voluntary for both patients and professionals, however, it can provide important information for the Agency's assessments. Initially, the pilot project only included questionnaires for cancer medicines, but from 1 September 2021, such questionnaires are being prepared and sent out for every application received. In 2023, 54 questionnaires were sent to patient organisations through the Patient Organisation Network. Questionnaires on 54 new generic names or new diagnoses/patient groups have been sent to medical professional associations. Responses were received in 21 cases from professionals and in 4 cases from patient organisations. The information contained in these questionnaires is included in the opinion prepared on the clinical and cost effectiveness of the medicinal product.

Approval, supplementation and withdrawal of medical technologies (MT) and updating of the Database of Medical Technologies for Therapeutic Use

In 2023, the Agency received 10 applications for approval, supplementation or withdrawal of MTs and adopted 11 decisions, including 1 decision on refusal to review application due to incorrectly submitted documentation.

In comparison, in 2022 the Agency received 13 applications for approval, supplementation or withdrawal of MTs and adopted 14 decisions on approval of MTs.

Using the possibilities provided by the regu-

Name of MT group	Approved MTs	Supplemented MTs	Withdrawn MTs
Medical services in internal medicine and functional diagnostics	2		
Medical services in anaesthesia, reanimatology, transfusiology and intensive care	1	1	1
Ophthalmology and optometry medical services	1		
Narcology medical services	1		
Neurology medical services		1	
Pathology medical services		1	
Additional (complementary) medical services	1		

latory enactments, the Latvian Medical Association and the Union of Professional Organisations of Medical Practitioners of Latvia have been asked for their opinions on the medical technology submitted for approval.

The preparation and submission of applications to the Agency is the competence and choice of the medical institutions and medical professional associations. The Agency regularly approaches various organisations with requests to review the approved technologies already in the database of Medical Technologies for Therapeutic Use, to update them if necessary and to consider approving new MTs. The most active communication has been established with the State Blood Donor Centre and the Latvian Physiotherapists' Association.

In 2023, work continued on improving the content and relevance of the database of Medical Technologies for Therapeutic Use:

- more than 100 MTs included in the Database between 2003 and 2012 have been updated with information on the date of approval of MT and the applicant (in some cases also the date when any additions were made to the MT), which is essential information for further updating or supplementing of these MT descriptions;
- several professional associations and medical institutions have been approached to review and, if necessary, update the list of MTs registered in the 'Dermatology and Venereology Medical Services' technology group.
- 28 responses were given to customer (public authorities, insurance companies, medical institutions, media, private individuals, etc.) queries/requests related to MT approval and already registered MTs.

The Medical technology assessment commission, whose responsibility is to evaluate the compliance of documentation submitted to the Agency regarding approval, supplementation or withdrawal of medical technologies with the requirements stipulated by legal acts and to provide an opinion to the Director of the Agency, held 5 meetings in 2023. NHS and HI participate in the commission alongside Agency specialists.

LICENSING OF PHARMACEUTICAL ACTIVITY COMPANIES

Signe Čudare,
Head of Pharmaceutical Activity Licensing Division:

"In 2023, the Agency provided services stipulated by the Pharmaceutical Law: issued (renewed) special permits (licences) for opening (operation) of general and closed-type pharmacies, for operation of medicinal product wholesale facilities, manufacturing or import medicinal products and manufacturing of active pharmaceutical ingredients, authorisations for manufacturers, importers and distributors of active substances, evaluated documentation for a medicinal product broker.

Within the context of the ongoing administrative reform, the Agency carried out activities related to updating and renewing the data of licensed pharmaceutical activity companies and registered addresses, aligning the address data with the State Register of Addresses and the data specified in the information system of the Enterprise Register. The data are published on the website of the Agency, the Register of Pharmaceutical Companies.

Last year, we informed people that general-type pharmacies in Latvia are allowed to carry out the home delivery of medicines to the population. Pharmacies provide this service so that people can get the medicines they need if they cannot get to the pharmacy themselves or authorise someone else to get them through the eHealth system. The Agency's website contains information on the pharmacies that provide this service, which is available to anyone interested. This service has become very useful for people.

We would like to thank every client of the Agency for their cooperation and understanding in providing legal services in the field of pharmaceutical activities. The Agency's aim has always been to provide the service the client needs as quickly and efficiently as possible."

In 2023, the Agency renewed licences for pharmaceutical activity for 230 pharmaceutical activity companies (including 12 new companies):

- 184 generaltype pharmacies (including 4 licences for new general-type pharmacies)
- 9 closed-type pharmacies (including 1 licence for new closed-type pharmacy)
- 25 medicinal product wholesalers (including 4 licences for new medicinal product wholesalers)
- 9 medicinal product manufacturing or import companies (including 1 licence for medicinal product manufacturer/ importer)
- 2 active pharmaceutical ingredient manufacturing companies (including 1 licence for new active substance manufacturer)
- 1 veterinary medicinal product wholesaler.

In 2023, the Agency issued authorisations:

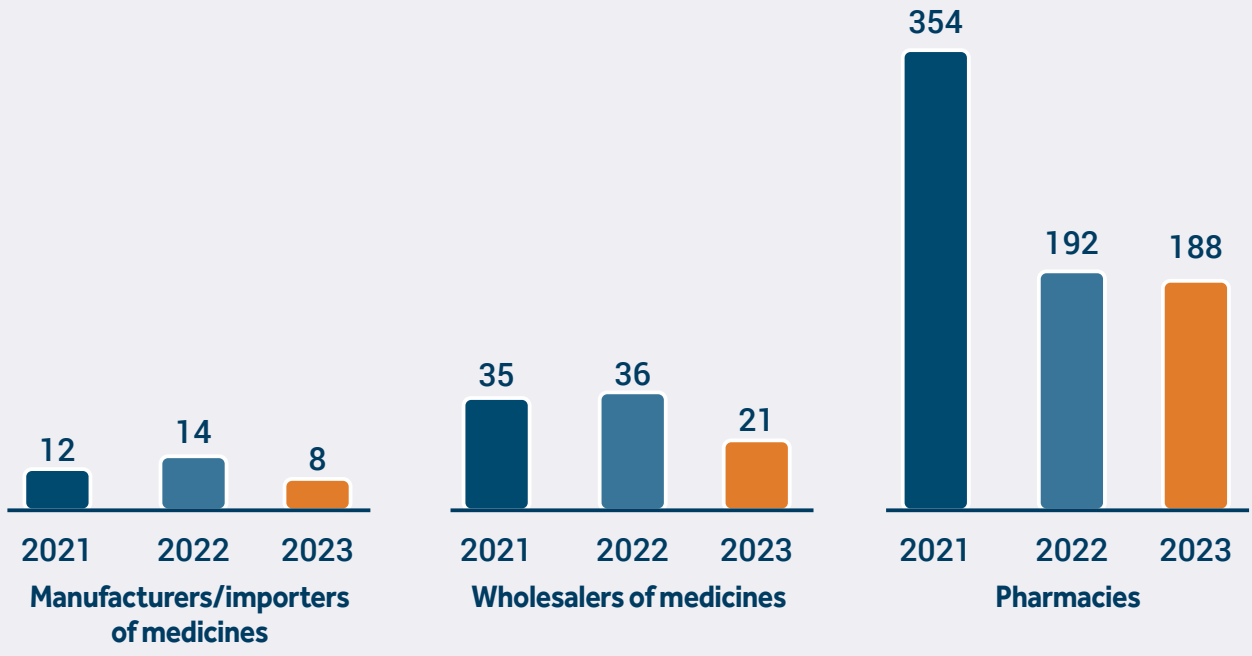
- 15 authorisation for manufacturing, import or distribution company of active pharmaceutical ingredients
- 1 marketing authorisation to a broker (brokering in medicinal products)

The number of pharmaceutical companies remains the same when comparing the data to 2022, but increases slightly compared to 2021.

In 2023, 31 new pharmaceutical activity locations (addresses) for general-type pharmacies (pharmacy branches) were assessed.

Last year, 15 meetings of the Agency's Commission for Licensing of Pharmaceutical Activity Companies (hereinafter – Commission) were held, at which issues were considered and decisions of an advisory nature were adopted on the issuance, renewal and suspension of pharmaceutical activity licences and special activity permits in accordance with the procedure for the consideration

Changes in licences for pharmaceutical activity



of issues set out in the Commission's Rules of Procedure.

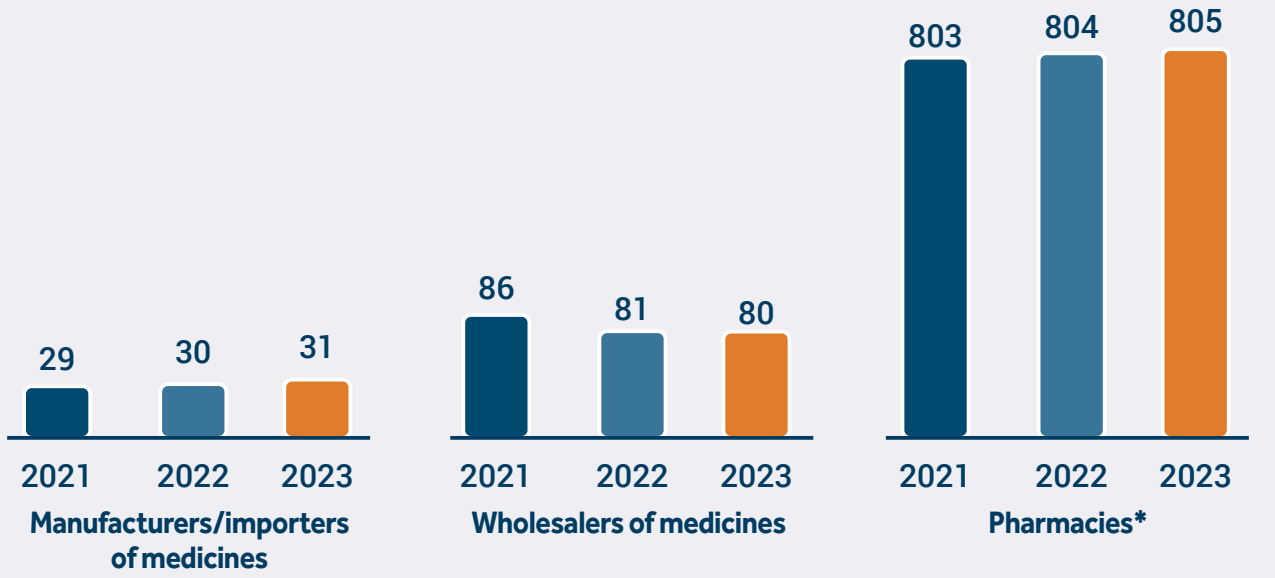
To facilitate a faster process for renewal of licences and providing a service to merchants, new Rules of Procedure of the Commission entered into force on 10 November last year, extending the range of matters considered without convening the meeting of the Commission.

The continuing situation related to the war in Ukraine influenced the decision of several licensed merchants to cease pharmaceutical activities in 2023.

In 2023, the following special permits (licences) were annulled:

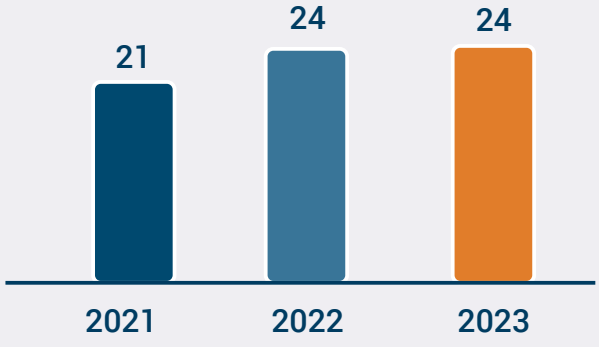
- 3 licences for opening a general-type pharmacy (activity);
- 5 licences for medicinal product wholesaler operation;
- 1 licence for manufacturing company;
- 1 licence for manufacturing, import, distribution company of active pharmaceutical ingredients

Total number of licensed pharmaceutical companies in Latvia (data: December 31, 2023)

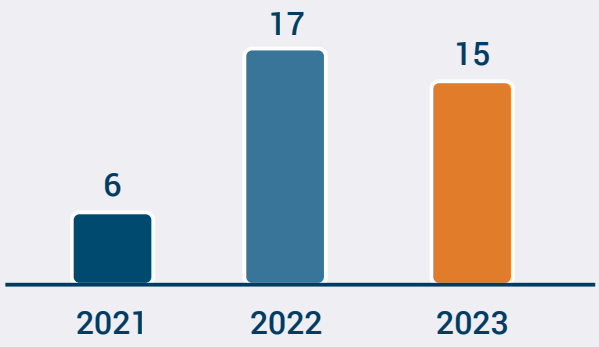


*Not counting pharmacies structural units (in 2023 – 70 structural units; in 2022 – 72 structural units; in 2021 – 73 structural units).

Total number of licensed of active substance manufacturers, importers and distributors (API) in Latvia (data: December 31, 2023)



Authorisation of API (including primary authorisations and renewals)



COMPLIANCE EVALUATION OF PHARMACEUTICAL ACTIVITY COMPANIES, HEALTHCARE AND HIGHER EDUCATION INSTITUTIONS

Iveta Vilcāne,
Head of Compliance Assessment Division:

"Throughout the whole of 2023, the Division ensured the presence of a technical expert in the working group of the Council of the European Union reviewing the proposal for a new SoHO Regulation in two readings and preparation of the compromise text for the trialogue discussions, ensuring the representation of the National Position and protection of national interests (including during on-site discussions) in cooperation with the Legal Division, as well as the technical support to the Specialised Attaché of the Ministry of Health. This joint work resulted in bringing a number of issues to the attention of the Member States and/or the European Commission and making proposals that were incorporated into the legal framework, thus enabling us not only to discuss, but also to reduce the expected burden of the new legal framework."

In 2023, the Agency conducted 13 on-site Good Manufacturing Practice (GMP) inspections of manufacturers of medicines and contract laboratories and additionally 5 document inspections in connection with the renewal of a special permit (licence). After a longer interruption, inspections of active substance manufacturers were resumed (2 inspections covering the manufacture of a total of 22 active substances). Given the significantly reduced expert resources and travel restrictions (including due to war) and security risks abroad in 2023, there were no GMP inspections planned and conducted

in non-EEA countries. Cooperation with the Food and Veterinary Service continued with respect to training inspectors.

The Agency also conducted 25 Good Distribution Practice (GDP) compliance inspections of medicines wholesalers, 12 of which involved the issuing or renewing of a licence. In addition, support was provided to the Pharmaceutical Activity Licensing Division for the issue or renewal of special permits (licences) for the wholesale and manufacture or import of medicinal products, and for the authorisation of manufacturers, importers and distributors of active substances.

In 2023:

- The Agency received **8** applications for tissue centres compliance evaluation and issuance of permits related to variations, as well as received **1** applications for university compliance evaluation and issuance of new permit related to variations;
- **7** permits for tissue centres (related to changes) were issued;
- **1** certificate for a blood establishment was annulled and **1** certificate for a blood bank was renewed

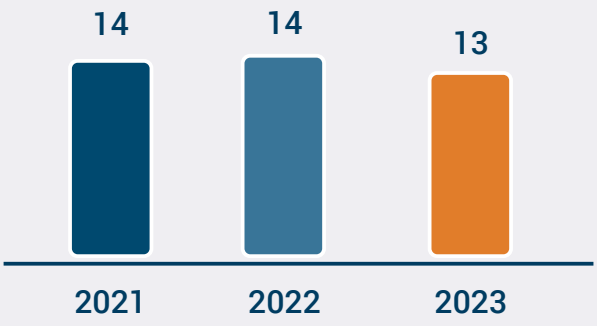
Last year also 2 compliance inspections of human blood and blood component establishments were conducted (2 inspections of blood banks of medical treatment institutions and 11 inspections of tissue centres (including 2 inspections of centres for procurement of tissues and cells). There were also 8 compliance assessment document inspections conducted – 7 at tissue centres due to operational changes and 1 at a university.

In 2023, 1 inspection of a human organ transplantation centre and 1 inspection at a university implementing medical study programme were planned and conducted.

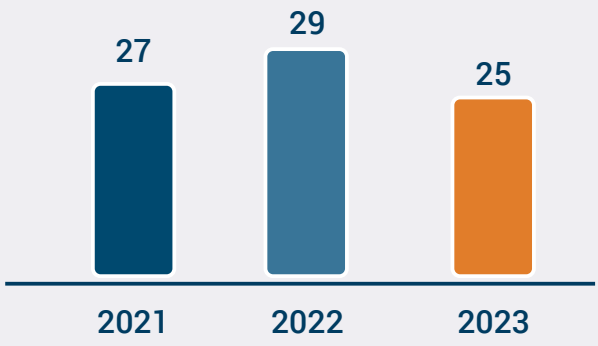
In 2023, the experts from the Compliance Assessment Division prepared the annual review reports for the EC regarding adverse reactions and serious adverse events in the field of blood, tissues and cells, as well as ensured communication to medical treatment institutions regarding Urgent reports of serious adverse reactions and events received online, as well as reports in the Rapid alert systems maintained by the EC in the fields of tissues and cells (RATC) and blood (RAB).

The Agency was represented in the EMA Good Manufacturing and Distribution Practice Inspectors Working Group, in the acti-

Good Manufacturing Practice inspections



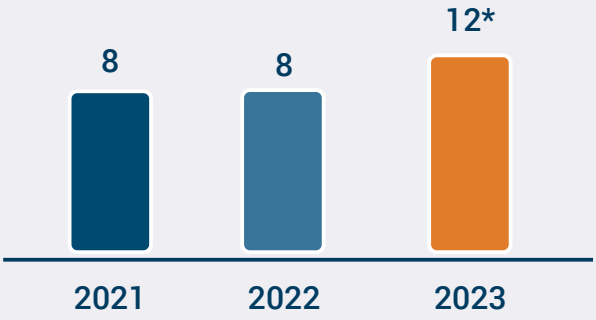
Good Distribution Practice inspections



vities of PIC/S and the European Commission DG SANTE working groups on human blood and blood components, tissues, cells and organs, and in the working group meetings organised as part of the Joint Action project (JA11). The specialists of the Division ensured the necessary communication for provision of information to the EC about the vigilance survey data in the field of organ transplantation, as well as for the supplementary survey of the SUPPLY project on the costs of plasma and plasma-derived medicines. The experts of the Division prepared and submitted the information requested in the EuMAR project survey on the collection of data in the field of assisted reproduction, as well as organised a meeting and ensured participation in a discussion with the representatives of the MH, the NHS and the EuMAR project on the possibilities of Latvia to provide data to the EuMAR registry.

The specialists of the Division also actively involved in the drafting of laws and regulations and the amendments thereto, among others, actively participated in the status of a technical expert in the working group of the Council of the EU reviewing the proposal for the new SoHO Regulation in two readings and the preparation of a compromise text for trialogue discussions, ensuring the representation of the National Position and the protection of national interests (including in on-site discussions), as well as ensured technical support to the Specialised Attaché of the MH. The experts of the Division also ensured the examination of the proposals for trialogue discussions and the revision of the

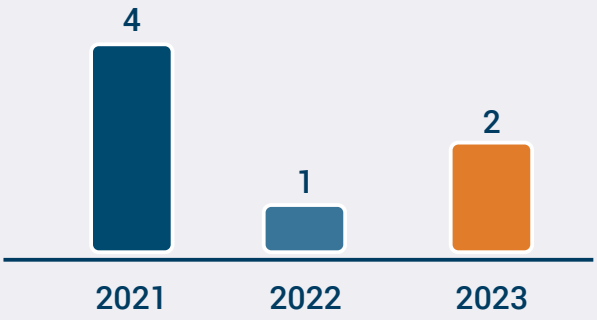
Inspections of tissue centres (and an organ transplantation centre*)



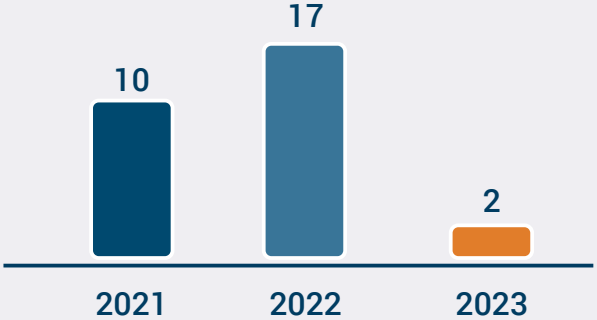
* In 2023, 1 organ transplantation centre was inspected, but the remaining 11 inspections were conducted at tissue centres.

Compliance inspections of human blood banks and blood establishments

Blood establishments/State Blood Donor Centre



Blood banks



compromise text achieved as a result thereof, and the assessment of information ahead of the meeting of the Ambassadors of the European Parliament. The requested comments and proposals were provided to the Ministry of Health, ensuring also the coordination thereof with the Agency both before (preparation of the instruction) and after the meetings, which in most cases also constituted Latvia's position or comment (including in terms of policy-making aspects). Working together with the Specialised Attaché of the MH in the working group of the Council of the EU, a number of issues were brought to the attention of the Member States and/ or the EC and proposals were made that were incorporated in the legal framework, as a result whereof we managed not only to discuss, but also to reduce, at least slightly, the expected burden of the new legal framework. The specialists of the Division were also actively involved in drafting laws and regulations and the amendments thereto, and several proposals on amendments to the laws and regulations were submitted to the MH. A proposal has been made and, together with the Legal Division, a draft annotation has been prepared and submitted for amendments to Regulation No. 1176 to reduce the administrative burden related to the identification of the officials responsible for the performance of contractual activities in the permits for use of tissues and cells. The experts of the Division prepared and submitted an initial proposal as to the laws and regulations that would need to be amended to implement the requirements of the new regulation on substances (biological material) of human origin (SoHO Regulation), taking into account the extended scope of the Regulation and the additional obligations imposed on the Member States. Furthermore, a proposal has been prepared and, together with the legal Division, submitted to consolidate the legal framework of universities into a single regulation and the amendments related thereto to Regulation No. 70 in order to reduce the administrative burden for universities and to retain in Regulation No. 1176 only those fields that are under the scope of the new SoHo Regulation. The proposal for amendments also includes aspects related to the amendments to the law On the Protection of the Body of Deceased Human Beings and the Use of Human Tissues and Organs in Medicine regarding the professional development programmes for doctors, the provision of consent in the unified electronic system of the national health sector and the necessary communication with relatives and contact persons, as well as the results of the discussion, involving also the representatives of the MH, on the legal framework of special cases related to the use of biomaterial from a deceased human being at a university, as well as the functions and duties of the persons in charge of universities. Cooperation with the Legal Division continued on the drafting and progress of amendments to the Pharmaceutical Law.

Cooperation with institutions has been initiated for the creation of the medical technology database in the field of assisted reproduction and umbilical cord blood preparation, reviewing the medical technologies for laboratory tests at the SBDC, as well as proposals were made to the specialists of the SBDC for elaboration and layout of the requirements set for the medical technology for blood component transfusion, including in relation to outsourced laboratories that perform immunohaematology tests for medical treatment institutions performing transfusion.

INTERNATIONAL COLLABORATION

The Agency is a member of the network of the European medicines agencies. Implementation of Agency's functions and tasks is closely related to participation in this network – collaboration with EMA, European Commission and more than 47 European Economic Area authorities regulating the field of pharmaceutics. This collaboration network gives access to a wide range of experts, thus, allowing to ensure the best possible expertise for the regulatory environment of medicines in the EU. National experts participate in the work of EMA as members of working groups and scientific advisory groups, as well as scientific committees.

In 2023, Agency employees have collaborated with EMA scientific committees, the European Commission and Council working groups, as well as working groups established by EDQM and Heads of Medicines Agencies (HMA), etc.

The Agency participates in more than 30 international working groups, including EMA working groups dedicated to specific regulatory issues, for example, EMA CHMP Biologics Working Party, EMA Executive Steering Group on Shortages and Safety of Medicinal Products (MSSG) and EMA Medical Devices Shortages Steering Group (MDSSG), EMA Working Group on Quality Review of Documents, Pharmacovigilance Inspectors Working Group, GMP/GDP Inspectors Working Group, International Cooperation Platform etc. The management of the Agency participated in the Management Group of the HMA.

EMA committees with Agency representation
Committee for Medicinal Products for Human Use (CHMP)
Committee for Orphan Medicinal Products (COMP)
Committee for Advanced Therapies (CAT)
Coordination Group for Mutual Recognition and Decentralised Procedures - Human (CMDh)
Pharmacovigilance Risk Assessment Committee (PRAC)
Committee on Herbal Medicinal Products (HMPC)
Pediatrics Committee (PDCO)

Full participation in common European work procedures, which constitute additional responsibilities and duties for the Agency, undoubtedly require qualified human resources, as well as financial resources. In 2023, Agency's employees have been collaborating with EMA scientific committees, European Commission and Council working groups, WHO, European Pharmacopoeia Committee, PIC/S, EDQM, etc. Last year, the Director of the Agency participated in the Management Group of the HMA.

The Agency also participated in the Drug Precursor Working Group, as well as in the 62nd session of the UNODC Narcotics Control Board. For several years now, the Agency has been involved in collaboration related to surveillance of medical devices and blood components. The Agency is the competent authority in Latvia for issuance of authorisations for clinical trials and safety surveillance of medical devices.

Relevant Agency experts regularly participate in the meetings of representatives of national competent authorities for medical devices in Europe.

The Agency has entered into a binding agreement with the medicines agencies in Estonia and Lithuania promoting closer collaboration between the Baltic medicines agencies in the regulatory field of medicines.

See more information about the results of international cooperation in the report.

COMMUNICATION AND COLLABORATION

The Agency's external communication is defined in the Agency's operational strategy and communication performance indicators are also among the key strategic performance indicators of the institution.

The Public Health Interest Direction, as defined in the Agency's strategy, aims to ensure the provision of evidence-based and independent information to citizens and healthcare professionals. The Agency provides objective, comprehensive and up-to-date information on medicinal products and other therapeutic products, medical devices and pharmaceutical companies, as well as on the Agency's activities. The Agency's communication activities are based on data and research.

PUBLICATIONS AND MEDIA

Last year, 133 news articles were published in the News section of the Agency's website, showing that keeping the public, healthcare professionals and industry informed has been an important priority for the Agency.

- In 2023, the Agency responded to approximately 100 media requests.
- The public and healthcare professionals were provided with up-to-date and evidence-based information on medicinal products, their availability, safety, use and other issues:
- In 2023, 20 notices on the availability of medicinal products were published on the Agency's website and distributed to the media (including information on the availability of antibiotics and the Agency's actions to prevent the unavailability of medicinal products in the au-

tumn/ winter season, work on the critical medicines list, etc.);

- 54 notices were published on the safety and adverse drug reactions of medicinal products and on the authorisation of new medicinal products;
- information on actions to prevent the purchase of falsified medicinal products, information on consumption, home delivery and disposal of medicinal products, information available in the Medicinal Product Register, searches for medicinal products and other important information of interest to the Latvian population was published.

Information materials for the public and healthcare professionals on antimicrobial resistance and prudent use of antibiotics, were prepared raising awareness of the public and healthcare professionals on the correct use of antibiotics.

INFORMATION ON AGENCY'S WEBSITE

The Agency regularly updated and published the latest information. More than 750 updates have been made to sections of the website in the last year.

Website traffic parameters:

- In 2023, Agency's website had 1 171 595 visits, excluding* visits to the Medicinal Product Register and other Agency's databases that are regularly utilised mainly by the industry. In 2022, Agency's website had 1 120 876 visits.
- In 2023, the Agency's website was used by 736 684 unique users (in 2022 - 313 095 unique users).

* Last year, the Medicinal Product Register was the most frequently used the Agency database/ register and had almost 4.8 million visits (4 780 021 visits). In 2022 – more than 4,5 million visits (4 560 039 visits).

BROCHURES, INFOGRAPHICS AND VIDEOS

Information for the public is also presented in a visual way through infographics and leaflets. Examples of infographics and information materials prepared last year:

- Why do medicinal product supply disruptions occur and how are they addressed?
- Antibiotics and ibuprofen suspension: recommendations for citizens;
- Consumption of antibiotics in Latvia;
- Consumption of ibuprofen and paracetamol suspensions in Latvia;
- Consumption of medicinal products in Latvia in 2022;
- Agency vacancies and career in the Agency;
- Infographics during "Medicines safety week" (in November 2023);
- Infographics during World Antimicrobial Awareness Week;
- Infographic "Achievements in 2022";
- Infographics "Consumption of generic and original medicines in 2022";
- Infographic "Monthly medicinal product consumption data";
- Public report on Agency's operation in 2022.

CAMPAIGNS

Social media campaign during Medicines Safety Week

In November 2023, the Agency together with more than 80 medicines agencies across the world carried out a public information

campaign as part of Medicines Safety Week (#MedSafetyWeek) inviting to report suspected adverse drug reactions, i.e., health problems observed after administration of any medicine or vaccine that might be an adverse reaction to such medicine or vaccine. In order to promote reporting of suspected adverse reactions, the Agency distributed informative videos and infographics on its social media profiles. Using the social media activities of the adverse drug reactions campaign, the Agency reached approximately 340 000 people in Latvia.

World Antimicrobial Awareness Week

In support of World Antimicrobial Awareness Week activities, the Agency informed about the correct and prudent use of antibiotics in order to increase awareness of bacterial resistance to antibiotics.

The campaign "Nature Doesn't Need a Pill"

As part of the campaign, the Agency and other partners used infographics to encourage people to take their unused or expired medicinal products to a pharmacy that accepts them.

SOCIAL NETWORKS

Last year, the Agency published 220 posts on social media.

INFORMATION FOR HEALTHCARE PROFESSIONALS AND PHARMACISTS

In 2023, we also released two publications "Cito!" for doctors, pharmacists and other healthcare professionals. Information was provided to healthcare practitioners and pharmacists through newsletters, letters and seminars.

COLLABORATION WITH THE INDUSTRY AND EVENTS

Last year, pharmaceutical companies were provided with information on the Agency's services and regulatory requirements, including on the following topics: the documents required for the authorisation of medicinal products and their evaluation, the possibility of obtaining scientific advice, the new regulation on clinical trials of medicinal products, requirements for customs warehouses, statistical reporting, new rules on medical devices, recommendations to the sector to ensure the availability of medicinal products, information for companies involved in the circulation of narcotic substances, health technologies, licensing of pharmaceutical companies and other topics. As part of implementing one of the Agency's priorities in 2023 – to provide explanations of legal act requirements, last year the Agency organised two informative seminars for the industry. 14 video recordings of the seminars were produced and made available to clients and are available on the Agency's website. Several meetings with sector representatives have also been organised in the past year. For example, to discuss the introduction of new health technology regulation.

Explanatory regulatory information was also provided in informative news articles,
letters and frequently asked questions, including explanatory information regarding requirements of normative acts.

In 2023, the Agency organised an Open Day for students and future professionals to provide information on career opportunities at the Agency.

INTERNATIONAL COLLABORATION

The Agency's Public Relations Division was active in two international working groups: the Working Group of Communication Professionals (WGCP) of the Heads of Medicines Agencies (HMA) network and the International Collaboration Platform of the European Medicines Regulatory Network. This cooperation has ensured proactive communication of information provided by the EMA to the Latvian public, providing important information on centrally authorised medicinal products, their approval and safety, adverse drug reactions and other issues.

PUBLIC OPINION SURVEY, CLIENT AND COLLABORATION PARTNER SURVEYS

- Public opinion survey – last year, in cooperation with the research centre SKDS, Latvian citizens were surveyed on adverse reactions, their reporting and awareness;
- Client and collaboration partner survey – aim: to find out assessment of Agency's work and services provided in order to improve client service and quality of services based on these data;
- Employee survey – aim: to find out employee opinions regarding work organisation, environment and collaboration, job satisfaction and other relevant aspects that would help to determine priorities in motivational aspects of personnel resource development.

Updated information was provided on the informative employee platform – the Intranet. More information regarding different achievements is available in the corresponding section of this public report.

IMPLEMENTATION OF AND AMENDMENTS TO NORMATIVE ACTS

Decisions adopted by the State Agency of Medicines are balanced, legal and compliant with the requirements of normative acts. In 2023, only 18 out of 9,458 decisions adopted by the Agency were contested at the Ministry of Health. In 2023, the Ministry of Health repealed one and partially repealed one of the contested decisions adopted by the Agency in 2023.

In 2023, the Agency, in collaboration with the Ministry of Health prepared amendments to several normative acts that were reviewed and approved in 2023, for example:

- Cabinet Regulation No. 461 of 15 August 2023 'Regulations Regarding Medical Devices", which entered into force on 23 August 2023. The Regulation was adopted with an aim to implement Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 concerning medical devices, amending Directive 2001/83/EC, Regulation (EC) No. 178/2002 and Regulation (EC) No. 1223/2009 and repealing Council Directives 90/385/EC and 93/42/EEC;
- Cabinet Regulation No. 455 of 15 August 2023 'Procedures for Conducting Clinical Trials of Medical Devices Intended for Human Use and Performance Studies on In Vitro Diagnostic Medical Devices', which entered into force on 23 August 2023;
- Cabinet Regulation of 10 October 2023 'Regulations Regarding Vitro Diagnostic Medical Devices', which entered into force on 13 October 2023;
- Cabinet Regulation No. 812 of 19 December 2023 'Regulations Regarding Compensation for Serious or Moderately Serious Harm to the Health or Life of a Patient Inflicted due to Adverse Reactions Caused by Vaccination against COVID-19 Infection', which entered into force on 1 January 2024.

In 2023, amendments were reviewed for more than 28 laws and regulations and proposals and opinions were prepared and provided to the Ministry of Health and other state administration institutions.

INTEGRATED MANAGEMENT SYSTEM

In order to implement the principles defined in the Agency's Quality Policy and to achieve the objectives set, the maintenance and improvement of the Quality Management System was continued in 2023, ensuring conformity with ISO 9001 'Quality Management System', ISO/IEC 27001 'Information Technology – Security Techniques – Information Security Management Systems', ISO/IEC 17025 'General Requirements for the Competence of Testing and Calibration Laboratories', as well as international guidelines and recommendations.

The Integrated Management System helped to coordinate and manage the Agency's activities to meet clients' and regulatory requirements and continuously improve its organisational efficiency. One of the results is that 90% of respondents of the client survey assessed the quality of the service provided as positive.

The assessment of the performance against the indicators set out in the Quality Management System shows that the indicators were met and that the changes in the working environment did not have a significant impact on the deadlines for service delivery. There have been some cases of overruns due to the limited workforce in the institution, which in some cases has a direct impact on service delivery performance in the event of unplanned staff absences.

As part of the changes in the Agency's structure, the adoption of a new strategy and taking into account the challenges ahead, a decision was taken to review the concept of quality performance indicators, giving parti-

cular importance to process optimisation.
It should be noted that the total volume of services provided by the Agency increased by 5% over the year. Moreover, it is important to underline the high level of digitisation, which is reflected in the fact that only 0.005% of documents are issued to clients in hard-copy.
Particular attention was paid to the Agency's security: despite the challenging geopolitical situation, it was possible to ensure that the Information Systems were available 95% of the time on working days. To achieve a consistently good result, in 2024, a transition is planned to the new ISO/IEC 27001:2022 'Information technology – Security Techniques – Information Security Management Systems' version.

It is important to highlight that:

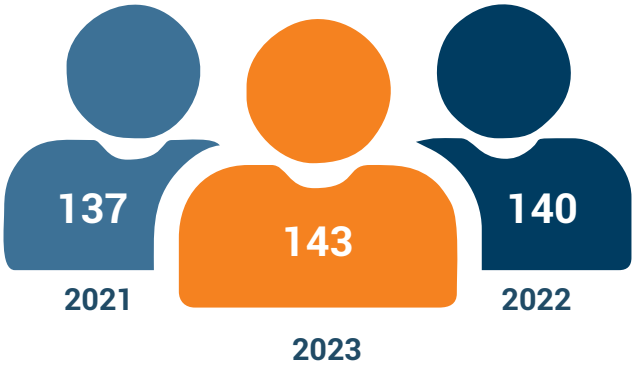
- The State Agency of Medicines has obtained a high score of 4.1 in the international Benchmarking of European Medicines Agencies (BEMA) programme. In the previous benchmarking in 2017, this score was 3.7.
- Increased number of services provided.
- The Agency has switched to the new Clinical Trials Information System (CTIS) – the flow of document hard-copies has been virtually eliminated.
- Improvements to the State Agency of Medicines Information System licensing module – more up-to-date information on www.zva.gov.lv about pharmacies (opening hours, home delivery, licence suspension).

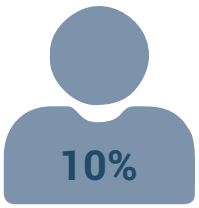
Actions planned for the next period:

- Preparation for other third-party audits planned for 2024 and for the EMA audit under the Joint Audit Programme (JAP).
- Transition to the new concept of quality indicators.
- Transition to the new ISO/IEC 27001: 2022 'Information technology – Security Techniques – Information Security Management Systems' version.
- Provision of new services and participation in the State Service Environment Improvement Plan.

PERSONNEL MANAGEMENT AND TRAINING

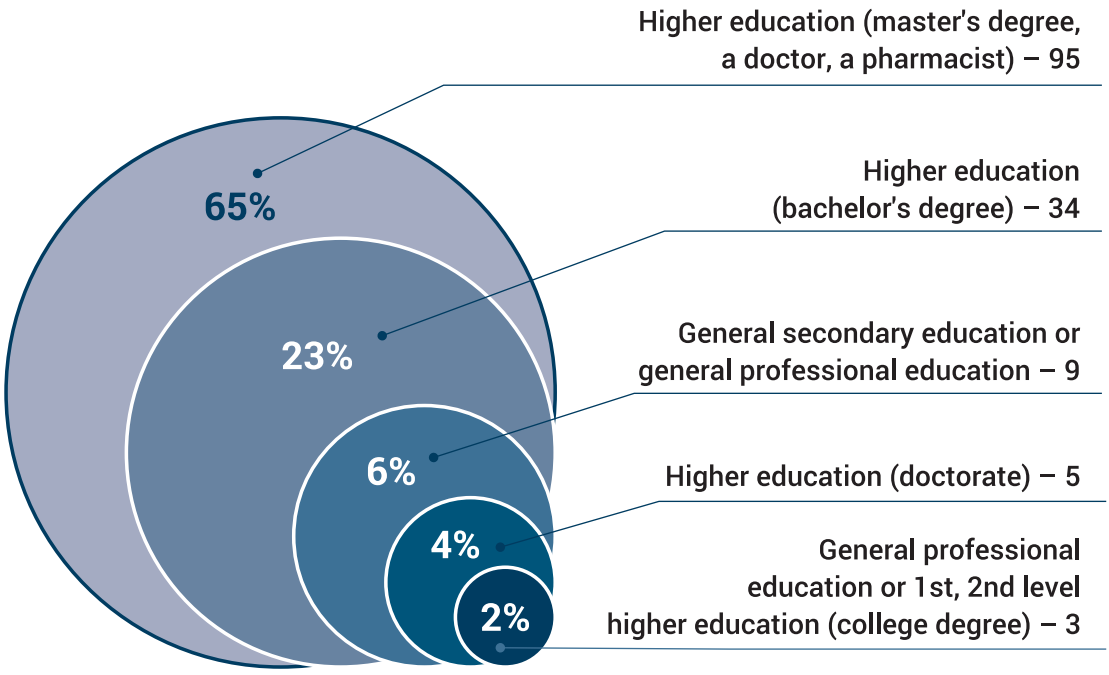
ACTUAL NUMBER OF EMPLOYEES





There were a total of 146 employees under employment or civil service at the Agency.

STAFF MEMBERS ACCORDING TO THE LEVEL OF EDUCATION (%)

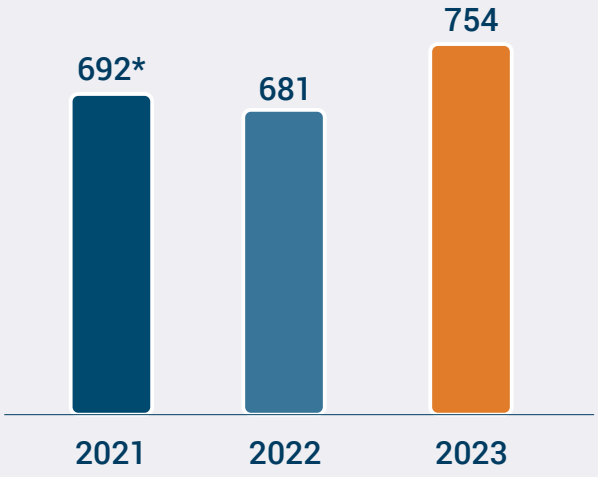


The overall level of education among Agency's staff is high – 137 employees (94%) have a higher education, and 5 of these employees have a doctorate degree.

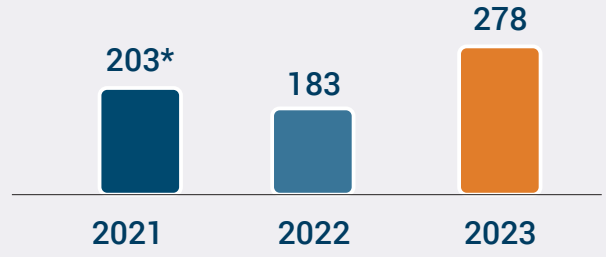
[1] Number of employees and civil servants, who have terminated employment, divided by the average number of staff members

PARTICIPATION IN COURSES FOR RAISING QUALIFICATION AND INTERNATIONAL SEMINARS, CONFERENCES

Courses for raising qualification



Seminars organised by international organisations



*In 2021-2023, staff participation in training and international events was ensured according to demand. Most of the events, including training and international collaboration events, were organised remotely and free of charge. Employees had a wide range of opportunities to utilise the available resources independently without absence or additional financial expenses for the Agency.

RESULTS OF THE EMPLOYEE SURVEY IN 2023:

98% of employees were satisfied with the solutions for personnel management issues and the availability of relevant information (applications for vacations and other absences, business trip organisation, consultations and support for other personnel management issues);

94% of employees were satisfied with the work environment and solutions for household issues (work environment, technical condition of facilities, transport coverage).

MANAGEMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY

In 2023, work continued on the development and refinement, improvement of accessibility and management of information systems and ICT solutions. Last year, 1902 IT support activities of varying complexity and resource intensity were carried out, including 17 ICT change requests, which contributed to increased efficiency and provided essential support to economic operators, general public, and employees.

The Agency's website has undergone a number of significant changes:

- To facilitate the notification of the marketing authorisation holders of the launch of the distribution of packaged medicinal products intended for another EU/EEA market in Latvia, an online notification form has been implemented on the Agency's website.
- A solution has been developed to display information on temporarily suspended pharmacies' licences in the Register of Pharmaceutical Companies.
- Development has been carried out to display information on pharmacies in the Register of Pharmaceutical Companies, which provides the possibility of sending medicines home.

In 2023, measures to mitigate IT security risks were implemented, including the introduction of a new security monitoring solution and a computer management tool, including the implementation of the Latvia State Radio and Television Centre (LVRTC) DDOS contract and the introduction of a new data network connection. A security audit for compliance with Cabinet Regulation No. 442 was carried out and an opinion on such was obtained. A number of systems and infrastructure improvement works have been carried out:

- Replacement of computer network equipment with newer generation equipment that provides more stable and reliable network operation.
- Exporting, archiving of documents from the previous document management

system and preparation of the instruction manual.

- Sorting of EURS files and transfer to a new server, new environment.
- Migration of Latmed IS to a new server environment.
- Power BI reporting server upgraded to a new software release.
- A solution has been developed that carries out a quality check of the SAMIS/ Medicinal Product Register data every night according to the defined requirements.
- Changes have been made to the SAMIS to allow the storage of information on the DDD (Defined Daily Dose) values for the calculation of the consumption of medicinal products.
- Additions have been made to ZIMPEX in the SAMIS, where data validation for the entry of medicines data has been provided to improve data quality and reduce the chances of errors.

Last year, the maintenance of the ICT infrastructure used by the Ministry of Health and its subordinate institutions continued and support was provided to their ICT specialists. In 2023, cooperation on the exchange of electronic information with different European institutions and other national competent authorities continued through common ICT solutions such as the EU Clinical Trials Database EudraCT, the EudraMail secure email and data exchange system Eudralink, the pharmacovigilance system EudraVigilance, the data analysis system EVDAS, the European Database on Medical Devices EUDAMED, the CTS solution for the mutual recognition of registration procedures for medicinal products, the CESP 'Common European Submission Portal of registration dossiers for medicinal products', the Common Repository for centralised procedures for the registration of medicinal products, and the PSUR 'Repository for Periodic Safety Update Reports'. The new next-generation software for the evaluation of medicinal product documentation EURS, EURSnext, has been launched and users are migrating to its daily use, making their work with the data they need on a daily basis easier and faster.

ENERGY EFFICIENCY AT THE AGENCY

The Agency has a heating system with condensing gas heating units for hot water and heating of buildings, as well as a 270 kW diesel generator to ensure the continuity of the Agency's operations in the event of power outages. The Agency's administrative building is also equipped with a micro-generation solar plant and heat pumps, which provide electricity savings to a small extent and energy autonomy.

The Agency continuously provides for the efficient use of the resources under its responsibility by sorting glass, metal, PET, and batteries. Moreover, existing lighting devices and wiring in buildings are gradually being replaced with more energy-efficient lighting solutions, and it is also ensured that staff use recycled paper for printing work materials.

The Agency's archive building redevelopment project is currently underway and is scheduled to be completed by 2025, improving the building's energy efficiency.

AGENCY'S STRATEGIC PRIORITIES IN 2024

In 2023, the Agency developed a new medium-term operational strategy for the period up to 2027, taking into account the priorities and objectives set for the health sector in ensuring public health, as well as the current challenges and opportunities for further development and improvement of the priority objectives and activities undertaken in the Agency's operational strategy for 2020 to 2022.

Its goals and objectives are in line with and build on the work already undertaken in the previous strategy period, as well as setting new challenges and objectives that are in line with both the sector's development trends and the development directions set out in national policy documents.

To ensure public health as a priority, strategic development of the Agency focused on future needs, high quality and efficient implementation and delivery of services delegated by the State, and long-term management, as well as public information and development of the Agency as a workplace, the Agency prioritises the following areas of action for the strategy period up to 2027:

- **Public health interest**, with the aim of promoting access to effective, high quality and safe medicinal products, as well as the provision of evidence-based and independent information to citizens and healthcare professionals.
- **Service development**, with the aim of providing services that meet the needs of the target groups, harmonising and improving them, taking into account the applicable requirements at EU level and the latest technological trends, as well as developing and improving the Agency's quality management, ensuring its compliance with selected ISO standards and the common requirements of EU agency networks.
- **Sustainable development of the Agency**, with the aim of creating a modern working environment, promoting the wellbeing and motivation of staff to work for the Agency, strengthening capacity and long-term ability to perform the functions delegated to the institution, as well as ensuring that staff skills and competences are upgraded in line with future needs and changes in industry regulation.

The State Agency of Medicines' strategy for the period up to 2027 is available on the Agency's website www.zva.gov.lv under the section "About us" > "Strategy". The strategy sets out the priorities for the year 2024. The annex to the strategy sets out the "Performance indicators for the tasks defined for the areas of action".

Appendix 1

BUDGET AND EXPENSES

Agency's budget funding and it's use

Classi-fication code	Item name	Plan for the year with changes	Implementation of the budget	
			In the reporting period	During the previous reporting year
I.	**REVENUE**	**6 126 214**	**6 736 473**	**6 741 347**
3	**Paid services and other own revenue**	**4 994 313**	**5 410 823**	**5 369 016**
21.4.0.0.	Other revenue of the institutions not-classified in the 21.3.0.0 group for paid services rendered by institutions and other own revenue	4 994 313	5 401 789	5 369 016
4	**Foreign financial assistance**	**1 013 510**	**1 202 039**	**1 003 525**
21.1.0.0.	Revenue from foreign financial assistance to the institution	1 013 510	1 202 039	1 003 525
5	**Transfers**	**118 391**	**123 611**	**368 806**
18.3.0.0.	Transfers received by derived public persons partially funded by the state budged and non-budgetary institutions // Transfers received by derived public persons partially funded by the state budged and non-budgetary institutions from the state budget	118 391	123 611	368 806
II.	**EXPENSES TOTAL**	**7 758 146**	**7 331 727**	**6 798 660**
1000	Remuneration	5 343 902	5 127 452	4 244 625
1100	Salary	4 131 274	3 953 204	3 269 247
1200	State social insurance mandatory contributions calculated by employer, benefits and compensations	1 212 628	1 174 248	975 378
2000	Goods and services	1 258 101	1 048 132	1 117 180
1.3.	Subsidies, grants and social benefits	50 000	50 000	300 867
6000	Social payments and compensation	50 000	50 000	300 867
1.5.	Transfers within one budget type and maintenance expense transfers between budget types // Maintenance expense transfers	382 672	382 672	720 511
7810	Transfers of the maintenance expense of the derived public persons partially funded by state and non-budgetary institutions from state budget to state budget	382 672	382 672	720 511
2.1.	Formation of share capital	723 471	723 471	415 477
5000	Formation of share capital	723 471	723 471	415 477
5100	Intangible investments	106 687	106 687	162 527
5200	Fixed assets	616 784	616 784	252 950
III.	**REVENUE SURPLUS (+), DEFICIT (-) (I. - II.)**	**-1 631 932**	**-595 254**	**-57 313**
IV.	**Financing**	**1 631 932**	**595 254**	**57 313**

Appendix 2

INDEPENDENT AUDITORS' REPORT

in Riga

The date of the document is
the time of the electronic signature thereof **No. 01/2024**

To the State Agency of Medicines of the Republic of Latvia

Our opinion on the Financial Statements

We have audited the Financial Statements of the State Medicines Agency of the Republic of Latvia (hereinafter referred to as the Agency) for the year 2023. The accompanying Financial Statements include:

- statement of financial position as at 31 December 2023 (balance sheet);
- a statement of financial performance for the year ended 31 December 2023;
- a statement of change in equity for the year ended 31 December 2023;
- a cash flow statement for the year ended 31 December 2023;
- notes to the Financial Statements, including an explanation of the items in the Financial Statements, a description of the accounting policies, a description of the principles underlying the preparation of the annual report, and a description of risk management for financial instruments.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the State Agency of Medicines as at 31 December 2023 and of its financial performance and cash flow for the year ended 31 December 2023 in accordance with Cabinet Regulation No. 652 of 28 September 2021 'Procedures for Preparation of the Annual Report'.

Grounds for the Opinion

Pursuant to the Law on Audit Services, we have carried out our audit in compliance with International Standards on Public Sector Auditing (ISSAIs), recognised in Latvia. Our responsibilities under these standards are further described in our report's section 'The Auditor's Responsibility for the Audit of Financial Statements'.

We are independent of the Agency in accordance with the requirements of the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants and the independence requirements of the Law on Audit Services that are applicable to our audit of the Financial Statements. We have also complied with the other principles of professional ethics and objectivity requirements set out in the Law on Audit Services and the International Code of Ethics for Professional Accountants (including the International Independence Standards).

We believe that the audit evidence we have obtained provides a sufficient and relevant basis for our opinion.

Reporting other Information

Other information is the responsibility of the Agency's management. Other information includes:

- Management report presented in the annexed Annual Report;
- Report on the implementation of the budget, which is set out in the annexed Annual Report.

Other information does not include the Financial Statements and our Auditors' Report on these Financial Statements. Our opinion on the Financial Statements does not cover this other information and we do not make any representation with regard to such, except as disclosed in the *Other Reporting Requirements under the Laws of the Republic of Latvia* section of our report.

In connection with the Audit of Financial Statements, our responsibility is to be familiarised with other information and, in doing so, to assess whether that other information is materially different from the information in the Financial Statements or from our knowledge obtained during the audit and whether it contains any other material inconsistencies.

If on the basis of the work carried out and taking into account our knowledge and understanding of the Agency and its operating environment obtained during the audit, we conclude that other information contains material inconsistencies, we are required to report it. No circumstances have come to our attention that need to be reported in this regard.

Other Reporting Requirements under the Laws of the Republic of Latvia

In accordance with the Law on Audit Services, our responsibility is to assess whether the Management Report has been prepared in compliance with the requirements of Cabinet Regulation No. 652 of 28 September 2021 'Procedures for Preparation of the Annual Report'.

Based solely on procedures carried out during our audit, in our opinion:

- The information provided in the Management Report for the reporting year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Management Report has been prepared in compliance with the requirements of Cabinet Regulation No. 652 of 28 September 2021 'Procedures for Preparation of the Annual Report'.

Responsibility of Management and Persons Entrusted with the Management of the Agency for Financial Statements

The management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Cabinet Regulation No. 652 of 28 September 2021 'Procedures for Preparation of the Annual Report', and for such internal control as management finds necessary to enable the preparation of Financial Statements that are free from material inconsistencies, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Agency's ability to operate as a going concern, providing information, as appropriate, on the circumstances related to the Agency's ability to operate as a going concern and the application of the going concern principle, unless the Agency is to be absorbed by another body or demerged.

The persons entrusted with the supervision of the Agency are responsible for overseeing the preparation of the Agency's Financial Statements.

Auditor's Responsibility for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the Financial Statements as a whole are free from material inconsistencies, whether due to error or fraud, and to issue an Auditor's Report that includes an opinion. Reasonable assurance is a high level of assurance; nevertheless, it does not guarantee that an audit carried out in accordance with ISSAIs will always detect material inconsistencies, if any. Inconsistencies can arise from fraud or error and shall be considered material if, individually or in aggregate, they could reasonably be expected to impact the economic decisions that users make on the basis of these Financial Statements.

When we carry out the audit in accordance with ISSAIs, we make professional judgements and maintain professional scepticism throughout the audit process. Moreover, we:

- Identify and assess the risks that the Financial Statements may contain material inconsistencies, whether due to fraud or error, develop and carry out audit procedures to mitigate these risks, and obtain audit evidence that provides a sufficient and relevant basis for our opinion. The risk of non-detection of material inconsistencies due to fraud is higher than the risk of non-detection due to error, as fraud may include collusion, falsification of documents, deliberate omissions, misrepresentations, or breaches of internal control;
- Obtain an understanding of internal control relevant to our audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control;
- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by management;
- Make conclusions on the appropriateness of the going concern basis applied by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt regarding the Agency's ability to operate as a going concern. If we conclude that a material uncertainty exists, the Auditors' Report draws attention to the disclosures in the Financial Statements regarding such conditions. If no such information is provided, we issue a modified opinion. Our conclusions are based on audit evidence obtained up to the date of the Auditors' Report. However, future events or circumstances may cause the Agency to cease its activities;
- Assess the overall structure and content of the Financial Statements, including disclosures and explanations in notes, and whether the Financial Statements fairly present the underlying transactions and events.

To those entrusted with the management of the Agency, we provide, *inter alia*, information on the planned scope and timing of the audit and on material audit observations, including significant deficiencies in internal control that we identify during the audit.

_____

Līga Šķibele

Member of the Board

Limited Liability Auditing Company 'Auditorfirma Šķibele un Partneri, SIA'

Licence No. 164

_____

Vaira Šķibele

Sworn Auditor, Latvian Association of Certified Auditors *(LZRA)* Certificate No. 24

Limited Liability Auditing Company 'Auditorfirma Šķibele un Partneri, SIA'

Licence No. 164

THIS DOCUMENT HAS BEEN ELECTRONICALLY SIGNED USING

A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIMESTAMP

Contacts

State Agency of Medicines

Jersikas iela 15, Riga, LV-1003, Latvia

Phones: (+371) 67078424

E-mail: info@zva.gov.lv

www.zva.gov.lv