

MSIA READING SERIES 16

WHAT'S NEW IN PPSIA?

**Panel
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WHAT'S NEW in PPSIA ?

PPSIA
PANDUAN PELAKSANAAN
PENILAIAN IMPAK SOSIAL
BAGI PROJEK PEMBANGUNAN

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MSIA
Malaysian Association of Social Impact Assessment

**HARD TALK MSIA
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1. Introduction

The discourse was held online on 12th July 2023 to disseminate information and explanation especially on the new aspects of *Panduan Pelaksanaan Penilaian Impak Sosial bagi Projek Pembangunan (PPSIA)*, which was launched on 17th April 2023. The Bahasa Malaysia version of the new guideline document was disseminated free by PLANMalaysia. Subsequently MSIA took the initiative to deliberate on the above as SIA consultants are expected to apply and incorporate the new aspects in their reports for new projects. Besides, this discourse was also motivated by numerous queries raised by members requesting details of the PPSIA. In addition, there were some misconceptions and ambiguities about certain aspects of the PPSIA which need further clarifications.

The moderator, Dr S. Kuppusamy, kicked off the session by providing a brief background to the three versions of the “SIA Manual” for development projects, the first being introduced in 2012 comprising eight chapters over 61 pages; the second manual (often known as Manual 2) with five chapters covering 87 pages was launched in 2018 following the amendment to the Town and Country Planning Act 1976 (Act 172) in 2017; and finally, the PPSIA which has 11 chapters covering 228 pages. The size of the manuals alone shows the increasing depth of quality of social impact assessment reports over time.

He subsequently highlighted the need for PPSIA drawing from past experiences, which include viz.,

(i) Further legal jurisdiction

There have been questions over the legal status of the SIA reports; whether the developer may decide to bypass the need for SIA report although required by the authorities; and the legal empowerment of the implementation of the Social Impact Management Plan (SIMP) whereby questions arise as to what happens if the project proponent does not adhere to the SIMP. PPSIA will be strengthened further by the Rules and Regulation (*Kaedah-kaedah dan Peraturan*) that is currently underway to support the amendment by PLANMalaysia to Act 172 which is in the pipeline.

(ii) Emphasis on quality of report, including better methodology and analysis

Although standalone SIA spans just over five years in Peninsular Malaysia, PLANMalaysia has continuously demanded for good quality reports. These views are often shared between PLANMalaysia Headquarters or state with panel members, which is often communicated back to MSIA and/or MIP.

(iii) Better guidance and thus higher expectation

MSIA and PLANMalaysia expect all consultants to pursue continuous improvement in the SIA Report preparations, thus the latest manual is designed to address the gaps from the previous manual.

(iv) The issue of post-construction monitoring and auditing

There have been questions as to who would monitor the implementation of the SIMP as well as the compliance to the mitigation measures stated in the SIMP.

(v) Skills – competency, registry and authority of relevant empowering agency and timeline

There has been plans by PLANMalaysia to have a registry of persons qualified to prepare and submit SIA reports to either PLANMalaysia headquarters or state. Following this, PLANMalaysia has conducted competency courses to enable MSIA and

MIP members to be registered SIA consultants and panel review members. Plans are underway to tighten the criteria for such registration under PLANMalaysia beginning 2025 as explained in the PPSIA. This will further empower agencies concerned to carry their duties more effectively in monitoring the mitigation measures.

(vi) Better transparency and integrity of key players

Ethical and integrity issues have been raised by MSIA members in the past, and these have been addressed in PPSIA.

To begin with, PPSIA is presented in 11 chapters with some chapters being introduced to elaborate on a particular area of concern or topic. The PPSIA chapters are not organised to show the sequence of the expected chapters in a SIA Report. Any consultant requiring the expected structure of a SIA Report should refer to Appendix LP-2. PPSIA also presents some FAQs which can be found in Appendix LP-1.

The following are excerpts of key points presented by the speakers.

TPr Puan Herlina

PPSIA has already been launched in April 2023, and there has already been directives from PLANMalaysia to adopt PPSIA in SIA reports. She is concerned that MSIA members might still be using the older Manual 2 (2018) whilst PLANMalaysia expects everyone to start using the new manual. As MSIA's President, she urges all members to adopt and apply PPSIA in the preparation of their SIA Report. PLANMalaysia may allow consultants to use Manual 2 if their SIA report started earlier than April 2023. Puan Herlina also highlighted that PPSIA has introduced a section on Executive Summary unlike Manual 2.

Dr Balamurugan

Evaluation of impacts, mitigation measures and Social Impact Management Plan have been assigned a chapter each with more explanations to serve the readers better. Otherwise, the similarities in topics were in the introduction, SIA categories, public participation and SIA processes chapters which are dealt in-depth in PPSIA.

He also highlighted the difference that the previous guide is often referred to as Manual while the current document is called PPSIA as its contents are more than a manual since it also acts as a guide to implementing SIA.

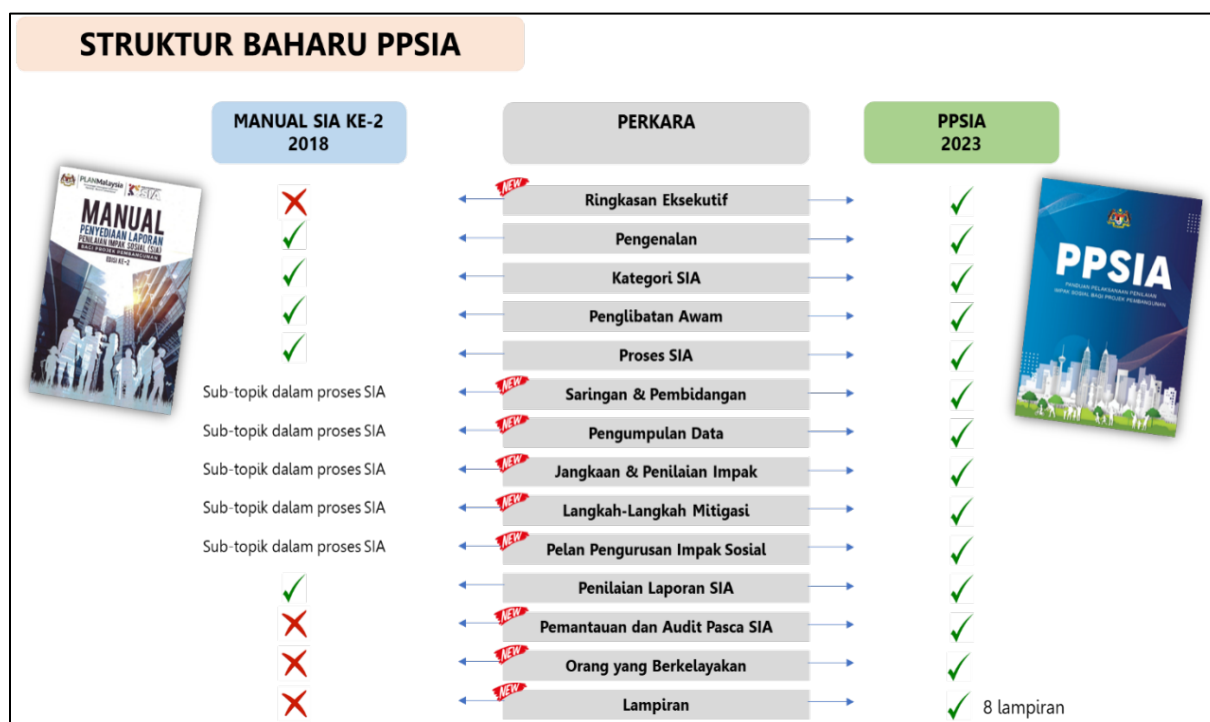


Figure 1: Comparison between Contents of Manual 2 (2018) and PPSIA (2023)

Some of the salient points of improvements in PPSIA include:

- Philosophy and the role of SIA (project options)
- Chapters are organised according to the SIA processes
- Methodology (eg. sample size, ZOI) is detailed out
- Methods of public participation are given a detailed discussion in a chapter
- Step number five in SIA Processes after Baseline Data is “Refining Project Design and Options”
- SIMP is strengthened
- PPSIA will be published in English as well
- There will also be a video clip on SIA to instil greater public awareness.

Chapter 1: Introduction

Dr Balamurugan highlighted the key important changes in this chapter as follow:

- SIA should commence from the early stages as a project planning tool for the Project Proponent (PP) whereby findings from the SIA would enable the PP to alter or redesign his project. For the government agencies, it will enable the agencies to make informed decisions.
- SIA report will now be required to highlight how the original project design has been changed based on the findings from the SIA study.
- The Chapter highlights the role of SIA for the PP and the government agencies. The consultants will need to present how the SIA study has added value to the project, thus enhancing the importance of SIA.

Chapter 2: Type of Development that Require SIA

This chapter has been reorganised into projects that fall under the purview of Federal PLANMalaysia (Category A) and State PLANMalaysia (Category B). According to Puan Herlina, this is unlike SIA Category 1 and Category 2 projects that fall under the Federal PLANMalaysia and SIA Category 3 in Manual 2.

Chapter 3: Screening and Scoping

Dr Balamurugan pointed out that there is no major change in the concept or the philosophy underlying SIA except that PPSIA provides more guides on screening and scoping.

Screening involves the need to examine the (i) legal setting; and (ii) compliance with development plans and policies. Any proposed project that goes off-tangent to any policy documents would be deemed as “no SIA for you”.

Scoping on the other hand involves identifying as (i) issues or impacts; (ii) ZOI; and (iii) stakeholders

- Comprehension of the activities to be carried out by phases
- Review of the literature from similar projects
- Site visits
- Public participation or input of expert views
- The use of a checklist.

Consultants do not need to utilise all these approaches in one study, but suffice to have at least one of the approaches in their study.

As for ZOI, the PPSIA deliberated it at great length based on different types of projects.

Stakeholders are divided into:

- Affected parties (direct and indirect impacts)
- Interested parties
- Government agencies

Chapter 4: Data collection

Puan Herlina presented details of the contents of this chapter in PPSIA, emphasizing that description on community profile, economy, socially sensitive areas, and land use must be included in SIA report.

Non planners have to really understand land use aspects to ensure land use and zoning are consistent with local policy documents. This also includes zoning of future committed development in the area to ensure that all the land use and planning matters are addressed adequately as per PLANMalaysia's expectation. It is thus very important to ensure that the SIA consultant makes reference to the Local Plan and where it is not available the consultant ought to visit the local authority concerned to obtain details of land use on the site. Other data that will be required are those from the Department of Statistics Malaysia on population, survey data, i-Plan and S-CHARMS developed by PLANMalaysia, which contains interactive and efficient spatial data. Both i-Plan and S-CHARMS provide spatial, land use and population profile of the site of interest.

The chapter also describes what are primary and secondary data, qualitative and quantitative data. Factors influencing sampling techniques and sampling size using various methods are explained in detail in PPSIA.

Chapter 5 – Predicting and Assessing the Impact

Dr Balamurugan states that this chapter is similar to that of Manual 2 except that there are greater details as to how to measure and predict the assessments of the impact from the proposed project. There is more emphasis now on the concept of triangulation which impinges on the need to verify data and to validate data using different sources of information. Data triangulation allows for greater reliability of data which is used in the assessment so that the outcomes are strong and its validity not challengeable. One could use FGD, interviews and different methods to predict impacts using the triangulation method. It also allows the consultant to examine various sources of data such as from a review of literature, from a qualitative focus group discussions and interviews, and social surveys, among others.

Second, PPSIA introduces the Maslow's Hierarchy of Needs concept although this concept is old but not obsolete. It is applicable in SIA as any impact arising from the proposed project would not be imposing similar impacts on all classes of the community. It emphasizes on the need to look at the impact if those in the lowest stratum of the society are more affected than those in the higher, especially those who may have their livelihood affected. In such cases, PPSIA suggests that the consultant examines the significance score using the Maslow's Hierarchy of Needs method so that the scoring and rating of the impact would be able to address those affected more than others otherwise. Puan Herlina suggested that readers view Table 5.5 as the significance scoring shows one that includes the Maslow's Hierarchy of Needs. Nevertheless, the latter is not compulsory to be used. It has to be used when there is a view that different classes of the stakeholders will be impacted differently by the proposed project due to their social class. She said that consultants may use different methods as long as they are justified and acceptable to PLANMalaysia.

The consultant must also factor in findings from all the other types of impact assessments (EIA, TIA etc) to see how they impact on the social issues. There is a need to synthesize the findings from these impact assessment reports to demonstrate how the SIA study has been used in the process of arriving at the final design of the project.

Chapter 6: Mitigation Measures

Dr Balamurugan stressed that mitigation measures are steps that can be used to (1) avoid, (2) minimise, and (3) offset any negative impacts of the project on the stakeholders. The mitigation measures described in the report should not be overly general to the extent that authorities and other relevant agencies have expressed their dissatisfaction.

Table 6.2 provides a detailed account of the necessary considerations to be taken into account when a consultant prepares the mitigation measures. This includes among others whether (1) the mitigation measure is relevant and practical, (2) the measure complies with certain standards that are widely accepted, (3) whether the proposed project is the only source of the factors causing the issues; (4) the mitigation measures may produce a secondary impact; (5) whether the mitigation measure could resolve the issue completely from recurring again; and (6) whether the mitigation measure is acceptable to the community. Point (4) includes for example sound barriers that were to be built as a mitigation measure but as a result it creates a visual problem for those residing nearby.

It is also important to take note that all the mitigation measures stated in the SIA report are not solely based on the consultant's view but must also be agreed upon by the project proponent to be implemented. This aspect is strengthened in PPSIA.

Chapter 7: SIMP

In PPSIA, according to Puan Herlina, among the new aspects that are given greater emphasis on SIMP are the emergency response plan, reporting and audit framework, monitoring

framework, implementation mechanism, organisation and grievance management mechanism. The SIMP implementation is described in more details in PPSIA as compared to Manual 2. The chapter provides some examples of mitigation measures. It is also important for the consultant to ensure that mitigation measures given or suggested should also be in line with those from EIA, TIA and other impact assessments. The suggested impact mitigations should not be widely different as such it is necessary that the SIA consultant coordinates with the other impact assessment consultants. The elements to be addressed in SIMP are:

- The social impact
- Significance level
- Mitigation measure and improvement
- Expected outcome
- KPI
- Monitoring mechanism
- Frequency of monitoring

PPSIA has also proposed that the SIMP measures for PP and for government agencies are to be separated.

Chapter 8

The assessment made should be able to assist the Chairperson of the Review Committee to make a final decision. The decisions should not be made by the committee members or the panel members. The Chapter also provides a flow chart which is very detailed for both Category A and Category B SIA projects. It also stipulates details as to the number of copies of reports to be submitted, and provides the client charter.

Among the key aspects that will be assessed during the panel meeting is the expected impacts, expected social impacts from the proposed development, whether the communities are potentially affected both directly or indirectly, and whether the mitigation measures suggested are practical and effective.

The chapter also provides the possible outcomes of the SIA report presentation to the committee. First is outright acceptance and approved; second, accepted but with corrections to be made; and third, the report is rejected. If the report is accepted and with corrections/improvements to be made it is up to the Chairperson to decide whether the report needs to be presented again or to be submitted only with the corrections/improvements. In the event a report is rejected it is up to the project proponent to do the necessary amendments to the report and present it again.

The Chapter also provides details as to the criteria to be used for the validity period of the SIA report which is usually set at maximum two years after being approved. Should there be a need to extend, the PP may appeal for an additional year based on the set criteria described in Section 8.6 of PPSIA.

Chapter 9: Monitoring and Audit

PP need to present their performance of implementation of the SIMP periodically. This, as mentioned by Dr Bala, is to allow PLANMalaysia and other agencies to monitor whether the mitigation measures have been implemented and whether other unexpected social issues have emerged due to the mitigation measure implementation. With PPSIA it is now the responsibility of the PP to provide the progress report for monitoring and audit by the agencies. The content of their monitoring report will contain, among others, an introduction, progress of the project, compliance with SIMP, issues arising, and conclusion. At this point of time,

however, PPSIA does not stipulate who were to submit the monitoring report, i.e. whether it should be by the PP or via a consultant.

In monitoring and auditing, the role of the government agencies will be very much confined to enforcement per se be it as an outcome of the monitoring report presented or their own duty to conduct scheduled enforcement.

With regards to auditing, PPSIA has introduced a matrix reporting. For now, auditing is not made mandatory but it is up to the PP to prepare an independent audit on a voluntary basis. This might be made mandatory in 3 to 4 years to come.

Chapter 10: Public Participation

PPSIA has detailed out the public participation methods as well as provided some best practices. These include FGD, townhall, interviews, surveys, computer aided surveys, exhibitions. It is up to the consultant to use the best methods that suit their project and issues surrounding them. Several different methods are advised. Best practices include considerations on time of meeting the stakeholders, ample notice for the meeting, delivery using simple terms, recording of data (documentation) – audio or video, use Google Earth, it is important that PP must take part in the public engagement.

PPSIA also provides an example of briefing reporting notes of engagements made. It includes, list of participants (name, address, position), background of the social group, issues raised (pre-, during, and post construction), benefits of project, suggestions (where applicable) in support for the proposed project, and visuals of the engagement to serve as evidence.

Chapter 11: Qualified Persons to Conduct SIA

This chapter is new in PPSIA. Puan Herlina explained that it addresses the issue of who can produce a SIA report as promulgated by PLANMalaysia. With reference to Figure 11.1, only professional members of MSIA who have attended and passed the competency course can produce SIA reports beginning 2025. The same applies for town planners registered under LPBM. Prior to 2025, all MSIA and LPBM members can produce SIA reports and are encouraged to attend and pass the Competency Course by PLANMalaysia. The latter is currently organising such courses. She encourages all MSIA members to attend the Competency Course.

Discussions, Questions and Answers

Subsequent to the presentation by the two speakers, the session was then opened to the participants to ask questions and/or seek clarifications. A summary of the more significant questions and points raised is provided as follow:

1. Is there any plan to export the PPSIA to East Malaysia?
Answer: In written text by Puan Lee Yoke San, responded by saying that Director General Dr Alias bin Rameli, during his courtesy visit to Dewan Bandaraya Kucing Utara dan Kementerian Pembangunan Bandar dan Sumber Asli, Sarawak, has promoted PPSIA in the hope that sometime in the near future it will be applied in Sarawak.
2. Is there any plan to grade SIA for quality control purpose?
Answer: Puan Herlina alluded to the participants it is up to PLANMalaysia to decide.
3. Should the declaration be made by both the main consultant and the supporting consultants?

Answer: Yes, and the declaration must be signed by each person involved. As for the Project Proponent side, it should be signed by a high-ranking officer representing the organisation, such as the CEO, so as to ensure the SIMP is implemented across the development phase and subsequently when auditing is done. This will ensure continuity in the persons responsible entrusted in implementing the mitigating measures.

4. Must the Executive Summary be presented in both languages?

Answer: Not necessary. Follow the language of the report, not necessary for it to be presented in both languages.

5. The structure of the presentation today is quite confusing following the way it is presented. Should the future SIA reports be presented the same way the PPSIA is presented?

Answer: SIA Reports need to be presented as per LP-2.

6. Should the contact person from the PP be the same as the person who signs the declaration by PP?

Answer: Not necessary to be the same person.

7. Should the persons signing the declaration and those signing the KM application be the same person?

Answer: It is best to be the same person.

8. What measures are taken by PLANMalaysia or MSIA to create better awareness among PPs about the changes that have been made in PPSIA, especially with regards to monitoring?

Answer: PPSIA has just been launched a few months ago. As pointed out by one of the participants, it has been proposed that a symposium will be held sometime in September where various stakeholders will be invited to participate. Currently, PLANMalaysia is engaging with local authority management and state agencies to raise their awareness on SIA and PPSIA.

9. Should the PPSIA be imposed immediately on all SIA reports being undertaken now?

Answer: There is a need to use it if the SIA study has been initiated at about the same time or after the PPSIA was launched in April 2023.

10. Should the positive and negative impacts to be included in SIMP? Should positive impacts be addressed as well in the SIMP?

Answer: Both positive and negative impacts need to be included in the SIMP tables. Under PPSIA, not only the positive and negative impacts are presented separately, the roles of the PP and the agencies are to be separated as well.

11. Application of weights are not compulsory to be used in impact assessment. However, if applied, it must be done correctly, since it will add greater validity to the estimation of the impacts.

12. Should SIA report be made public?

Answer: Not required by law to date. With the exception of EIA, all other impact assessment reports do not make their reports public. When it started in 1987, EIA report was not made public. The first public display of EIA Report was made in 1996 where

only the Executive Summaries was made public. Only after a number of years later that the full EIA report is made public.

Making respective Impact Assessment reports public is good but the custodian authorities concerned must also be prepared and well equipped with the expertise to manage the public. With respect to SIA, PLANMalaysia is not ready for now to present SIA reports for public display.

13. On page 1-4, it is stated that PP must demonstrate that the benefits from the proposed project must outweigh the costs to the people. How is this to be done?

Answer: Most part of the report elaborates on negative impacts. Consultants must also present the positive impacts to the stakeholders.

14. Figure 1.5: “Fine tune project options and design”. This is new in PPSIA. What do you do in this kind of situation when there is no change in project options and design since the SIA study is only undertaken after the design is finalised?

Answer: EIA started this way but over time EIA is used as a tool to alter design of the proposed project. SIA consultants can present the chronology of events that has taken place from the beginning to the present to show the changes in the design, even though the SIA study is only commissioned at the end of the project design phase.

15. In Manual 2, if the SIA report identifies many negative impacts, the project itself may be required to be redesigned or discontinued. Is this the same in PPSIA?

Answer: Yes. It is the same in PPSIA.

Concluding Remarks

The key take aways, as summed up by Dr Balamurugan, is that all SIA consultants must digest and embrace the underlying philosophy and contents of PPSIA. He believes PPSIA will certainly be revised from time to time in the future. Puan Herlina reminded that readers should identify areas in PPSIA that need further improvements and convey them to PLANMalaysia. It is hoped that the sharing session today have shed some lights into the expectation and aspiration of PLANMalaysia. To enhance their professional skill and to familiarise themselves with the SIA new guidelines and protocols, members are urged to not only target the Competency Course organised by PLANMalaysia but should also attend workshops, HardTalks and other knowledge sharing sessions initiated by MSIA.

Acknowledgement

The Publication Committee members wish to express our gratitude and appreciation to TPr Puan Herlina Ab Aziz and Dr G. Balamurugan for their fruitful deliberations and sharing of knowledge and insights into the newly-launched PPSIA.

Disclaimer

In the spirit of inclusivity and transparency, MSIA is open and frequently invites experts of various fields and stakeholders to share their perspectives on how the SIA processes can be more effective. Their views are analysed and reported. Any views and assumptions expressed however are solely those of the panellists and editors and do not necessarily reflect that of MSIA.