

MSIA Reading Series 28

Sarawak Experience in Urban Renewal through the Darul Hana Redevelopment Project

Speaker II:
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2026

HARDTALK 09/2025

MSIA
Malaysian Association of Social Impact Assessment
Registration No. 0425-05-7

LIVELIHOOD RESTORATION AS MITIGATION OPTION IN PROJECT DEVELOPMENT

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SPEAKER

00000 Date **3 OCTOBER 2025** Time **03:00 PM - 5:30 PM** Venue **IPSAS SEMINAR ROOM, UPM**

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Full payment must be made to "Peritubuhan Penilaian Impak Sosial Malaysia" via online transfer before 2nd October 2025 into:

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Introduction

Urban Renewal is the overall process of transforming underutilised and sometimes degraded or neglected part of the city, urban settlements or villages into spaces and built- environments that meet contemporary living, working or cultural needs. Specifically, renewal is the holistic process of reversing the economic, physical and social decline of places where market forces alone would not suffice. It attempts to bring about lasting improvements across economic, physical, social and environmental conditions in disadvantaged communities. This would contribute to a conducive and favourable living environment for a healthy, safe, and comfortable life style (State Urban Renewal Implementation Guidelines (SURIG), 2018).



This Hard Talk shared the Sarawak Experience in Urban Renewal through the Darul Hana Redevelopment Project, one of the State's most socially sensitive urban renewal initiatives. The focus is on the identification of social issues and concerns, the translation of Social Impact Assessment (SIA) recommendations into planning and policy actions and the social outcomes achieved through implementation.

Objectives Of Urban Renewal in Sarawak

Urban renewal in Sarawak is guided by the State Urban Renewal Implementation Guidelines (SURIG), endorsed in 2018. SURIG establishes the policy principles, governance structure and procedural requirements for urban renewal projects, including the mandatory application of Social Impact Assessment. The guidelines emphasise social well-being, community participation and equitable development outcomes.

MUDeNR plays a central role as the policy custodian and oversight authority. Its responsibilities include reviewing SIA findings, ensuring alignment with state development objectives and overseeing implementation through inter-agency coordination mechanisms. This oversight ensures that social considerations are

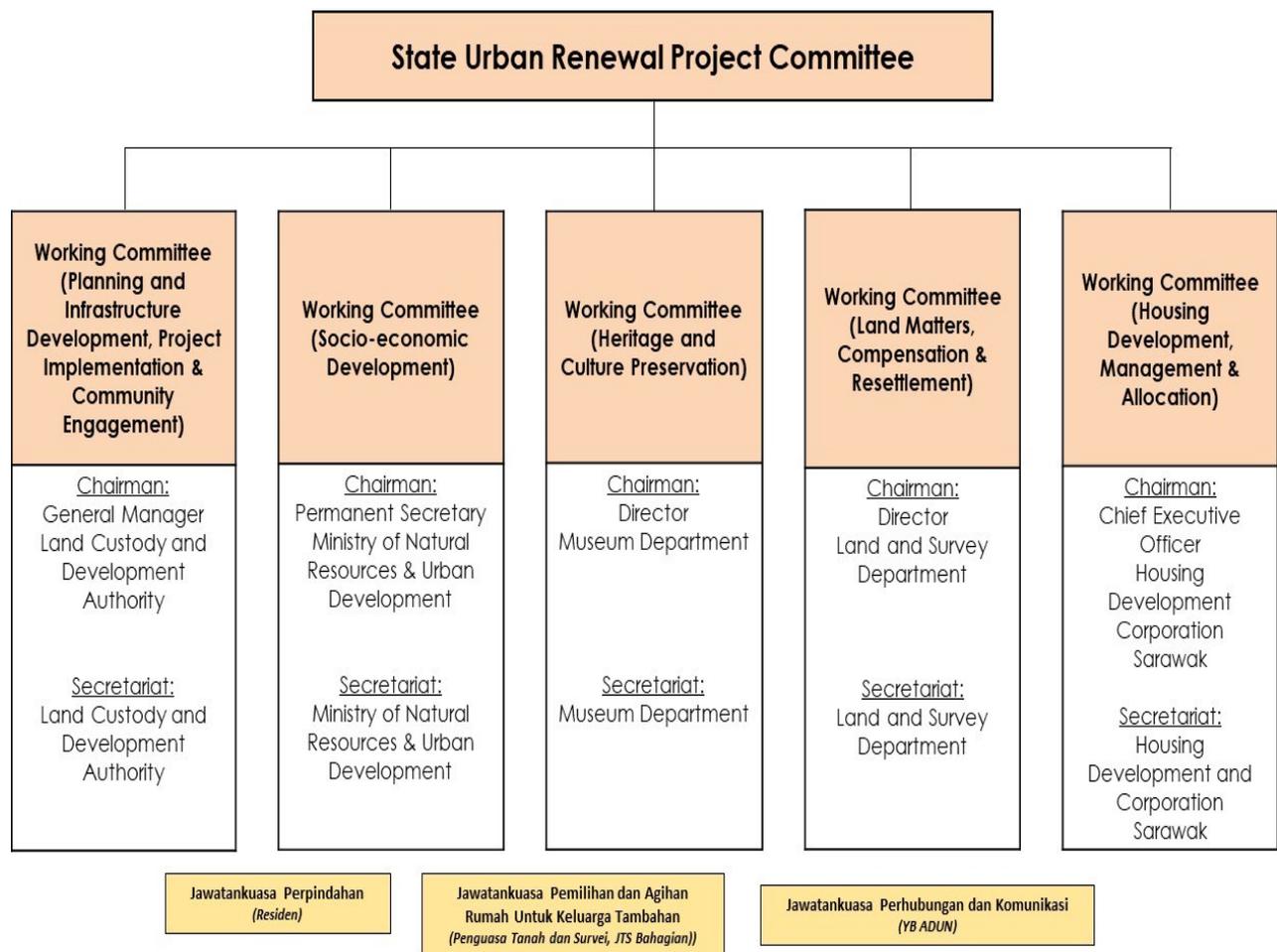
embedded at the policy and approval stages, rather than being addressed only during project implementation.

LCDA, as the implementing agency for the Darul Hana Redevelopment Project, is responsible for translating policy intent and SIA recommendations into concrete actions. These include masterplan development, infrastructure provision, resettlement planning and community engagement programmes. The separation of policy oversight and implementation functions strengthens accountability and governance integrity.

SURIG (2018) highlighted the Objectives to be met in Urban Renewal:

- To uplift the physical and social well-being of the communities;
- To provide conducive, safe, healthy and orderly development;
- To increase the income of the communities through creation of new job and business opportunities;
- To generate wealth for the property owners and future generation; and
- To provide affordable and quality housing for both the property owners and their extended families.

Urban renewal is guided by the State Urban Renewal Project Committee (SURPC) Framework as provided in State Urban Renewal Project Committee (SURPC) Framework Figure 1. Five working committees are involved, each chaired by relevant agencies.



Source SURIG (2018)

Figure1: State Urban Renewal Project Committee (SURPC) Framework

In implementing urban renewal in Sarawak, several principles are adopted. These Key Implementation Principles involved (SURIG 2018):

- i. Owners whose properties are acquired for the implementation of redevelopment projects will be
- ii. offered fair and reasonable compensation;
- iii. Tenants affected by redevelopment projects would be provided with proper housing and wherever possible, near to the existing settlement to avoid possible dislocation of people and disruption to their livelihoods;
- iv. The communities at large should also benefit from urban renewal;
- v. Communities affected by redevelopment projects would be given an opportunity to express their views on the projects;
- vi. The new housing to be provided not only to cater for the needs of the head of households/original land owners but also to their extended families;
- vii. There shall be some elements of subsidy by the Government in the allocation

of housing units to the affected communities taking into consideration of their socio-economic background and affordability.

- viii. The new large scale settlement **should be an integrated mixed development** which should include facilities and amenities such as schools, place of worship, retail and commercial, cottage industries.

These principles are influenced by various factors that included:

- whether the proposed project area is **dilapidated and congested** and requires redevelopment as identified by conditions surveys or observations;
- whether the area **lack basic sanitation facilities** or they are exposed to potential fire risks due to the lack of proper maintenance;
- whether the proposed project **will improve the area** by replanning and redevelopment;
- whether the proposed project area will achieve a **better utilisation of land** after redevelopment;
- whether the **rehabilitation of buildings and houses** in the proposed project area is a practicable and viable option; and whether land is **available for resettlement** of the afflicted residents, where applicable.

SIA in Urban Renewal

SIA started in 2018 and applied to all urban renewal projects approved in the Eleventh Malaysian Plan (11MP) and Twelfth Malaysian Plan (12MP). SURIG of the Ministry of Urban Development and Natural Resources (MUDeNR) stated that SIA study is required to be done and provided prior to any urban renewal and village redevelopment project.

The specific terms of reference (TOR) for the SIA was provided by MUDeNR with the Land Custody and Development Authority (LCDA) as Secretariat for the SIA Technical Committee and member of the SIA Steering Committee.



Up to 2025, some nine (9) SIA studies have been conducted by SIA consultants since 2018.

Scoping Process in SIA

In SIA, scoping is an essential step to understand the social impact variables and social change process variables together with the underlying social issues and in identifying the zones of influence and affected parties as pointed out by PPSIA 2023 in Peninsular Malaysia. Similarly in Sarawak, SURIG (2018) has also provided the categories of social impact variables and issues of relevance from urban renewal projects. Table 1 provided the Social Impact Variables (as they are termed in PPSIA 2023) and the social impacts or issues under each variable.

Table 1: Relevant SIA scoped impacts and issues

No.	Social Impact Variables	Social Impacts / Issues
i.	Local characteristics surrounding the project site	Population characteristics
		Socio-economic characteristics
		Culture and local characteristics
		The characteristics of local business activities, including small shops and street stalls
		The historical background
		The local structure of the community
ii.	Potential Demographic Impacts	Significant population change (before and after)
		Presence of seasonal (leisure) residents
		Relocation of individuals and families
		Ethnic and cultural conflicts
iii.	Community / Institutional Arrangement	Formation of negative attitudes towards the project
		Need of
		Alteration
		Enhanced economic inequities
		Change in employment pattern
		Change in occupational opportunities
		Political stability
		Aesthetics and visual physical changes
iv.	Potential Struggles Between Local Residents and Newcomers/ Communities in Transition	The level of neighbourhood spirits and community living
		The degree of overcrowding in current area

		Conflicts between local residents and newcomer/ communities in transition
		Introduction of new or different social structure
		Change in the commercial/ industrial focus of the community
		Presence of weekend residence
		Property value
v.	Individual and Family Level Impacts	Disruption
		Dissimilarity in
		Alteration in family structure
		Disruption in social networks
		Concern
		Change in social lifestyle Congestion
vi.	Community Infrastructure Needs	Disruption
		Dissimilarity in
		Alteration in family structure
		Disruption in social networks
		Concern
		Change in social lifestyle Congestion

Source: SURIG (2018)

SIA of Darul Hana Urban Renewal Project

The idea of Darul Hana project was introduced and initiated by then Chief Minister, Tun Pehin Sri Abdul Taib Mahmud back in April 2011, involving an area of 722 acres. The intention was to develop the area into an ultra-modern neighbourhood while retaining the Malay traditional architecture. The Darul Hana project was intended to benefit 4,426 families from 13 settlements/villages along the Sarawak River, namely Kampung Seberang Hilir area with a combined population of about 16,655 people. The project is spearheaded by LCDA under MUDeNR Sarawak.



Figures 1 and 2: A view of Kampung Seberang Hilir area along the Sarawak River and the Chief Minister with the Darul Hana Project Master Plan

A feature of Kampung Seberang Hilir area was that houses are far too dense with some facing the toilets of other houses (Figure 3). There were very narrow access roads with little space for expansion and there was no proper drainage system.



Figure 3: Features of Kampung Seberang Hilir area

Objectives of Darul Hana Development

Darul Hana Development has several ideal objectives amongst which are:

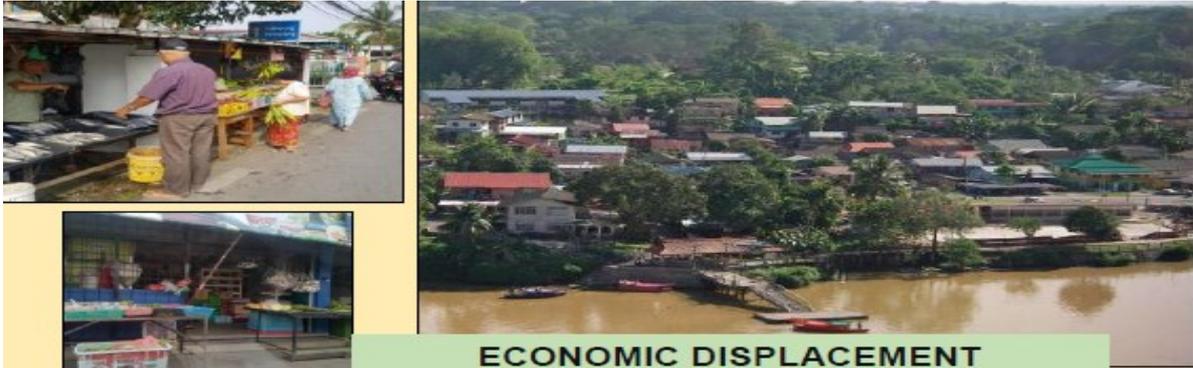
- i. To elevate the quality of life, security and health of the residents of 12 villages in Kampung Seberang Hilir, Kuching North;
- ii. To raise the image and quality of 4.1 km river edge spaces from Kampung Boyan to Kampung Bintawa Hilir;
- iii. To redevelop the existing residential areas into a well-structured community development while maintaining the “village ambience” that builds the community and act as a pull factor that creates employment and business opportunities;
- iv. To provide better and integrated public amenities to the local community; and
- v. To provide better and continuous learning facilities.

In fulfilling the above objectives, Darul Hana Development embraced the following development plans and concepts:

- i. Integrated Urban Renewal by combining housing, infrastructure, social amenities, cultural preservation and environmental rehabilitation into a single master plan.
- ii. People-Centred Transformation by focusing on resettling and uplifting traditional riverine communities into safer, modern housing while preserving culture and community identity.
- iii. Economic Empowerment by opening opportunities for entrepreneurship, tourism and riverfront economy, and ensuring the community thrives.
- iv. Green & Sustainable Design by incorporating modern housing, flood mitigation, riverbank stabilization and green spaces to ensure long-term resilience.
- v. Replicable Model by providing a blueprint for sustainable urban renewal in Sarawak and the region, balancing heritage, modernity and environmental care.

To implement the development plans and concepts, Darul Hana Development faced many challenges that have to be overcome (Table 2)

Table 2: Challenges faced and approaches adopted to address them

No	Challenges	Responses
i.	Fear of losing traditional lifestyle and cultural roots. Initial resistance also on land issues	Extensive engagement with village leaders, cultural inclusion in design (mosques, community halls) and documenting heritage.
		
ii.	The area has historical flooding events and occurrence of riverbank erosion. Flooding and environmental risks created opportunities for addressing through the project	Incorporation of riverbank stabilisation, green buffer zones and resilient infrastructure were built into the masterplan. This serves to resolve recurring Flooding and environmental risks
		
iii.	Communities dependent on river-based economy risked losing income creating fear of economic displacement	Efforts taken to provide entrepreneurial spaces, riverfront commerce zones, tourism initiatives and training programmes.
		

iv.	<p>Urban Density & Infrastructure Pressure Integrating thousands of resettled households without creating congestion.</p> <p>Establish Smart urban planning with road connectivity, utilities, schools and healthcare to ensure livability</p>

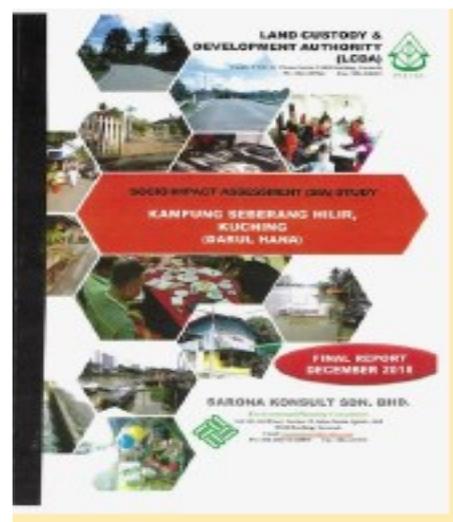
Source: Ramly (2023)

Key Findings from SIA

Main findings reported from the SIA Report of Darul Hana Redevelopment by Serona Consultant Sdn. Bhd. (2018)

pertain to :

- a comprehensive understanding of concerns from the local communities on their willingness to move, and on concerns anconditions seeked by residents for them to comply to the urban renewal programmes suggested to them. by LCDA.
- a concern on community loss of their village identity and neighbourhood, and
- cost incurred by the communities from moving



The SIA study was able to understand the needs and aspirations of the heads of household that included

- Uplifting the standards of living and quality of life of the community
- Clear information
- Retain their village identity
- Availability of recreational facilities
- Community participation in the business opportunity
- Hoping that extended families will be given a unit of house too

Incorporation of SIA in Development Planning - Engagements, Implementable Mitigations

Through the conduct of SIA involving intensive community engagements and proactive governance have led to the provision of measurable mitigations and outcomes as illustrated by the Successful Urban Renewal Development of Darul Hana (Figure 4).



Figure 4: Aerial view of Darul Hana Redevelopment Project

Impact and Measurable Outcomes

Through the conduct of SIA supported by good governance by LCDA, proactive and pre-emptive environmental and social impacts that were identified during the planning phase of Darul Hana Development were quantified, managed, monitored and overcome. Table 3 provides the measurable key performance indicators for various categories of impact indicators and outcomes while Table 4 provides for the various businesses affected.

Table 3: Key impact metrics and outcomes

Category	Key Metrics and Key Outcomes
SOCIAL IMPACT	<ul style="list-style-type: none"> • 2,500+ households resettled into safe housing • 100% access to clean water & electricity (from ~70%) • Flood-affected households reduced by >90%
ECONOMIC IMPACT	<ul style="list-style-type: none"> • 150+ modern business lots will be created • Household income up • Property value increased 2–3x
ENVIRONMENTAL IMPACT	<ul style="list-style-type: none"> • 80% reduction in riverbank erosion • 15–20% land reserved for parks & green buffers • Water quality improved
CULTURAL & HERITAGE	<ul style="list-style-type: none"> • 1 neighbourhood centre & mosques built • Festivals & cultures preserved in new venues • Oral history of villages documented by UNIMAS and Museum Department

Source: Ramly (2023)

Table 4 provides for the various business.

Type of Business	Head of Households (KIR)	(%)
Grocery store	73	48.7
Burger stall	15	10.0
Traditional snack stall	9	6.0
Sarawak Kek Lapis bakery	2	1.3
Food stall	12	8.0
Fresh vegetable and fish stall	3	2.0
Tailor	3	2.0
Workshop	4	2.7
Others	29	19.3
Total	150	100

Source: *Bancian Akhir Kependudukan (PELITA)*, March 2015

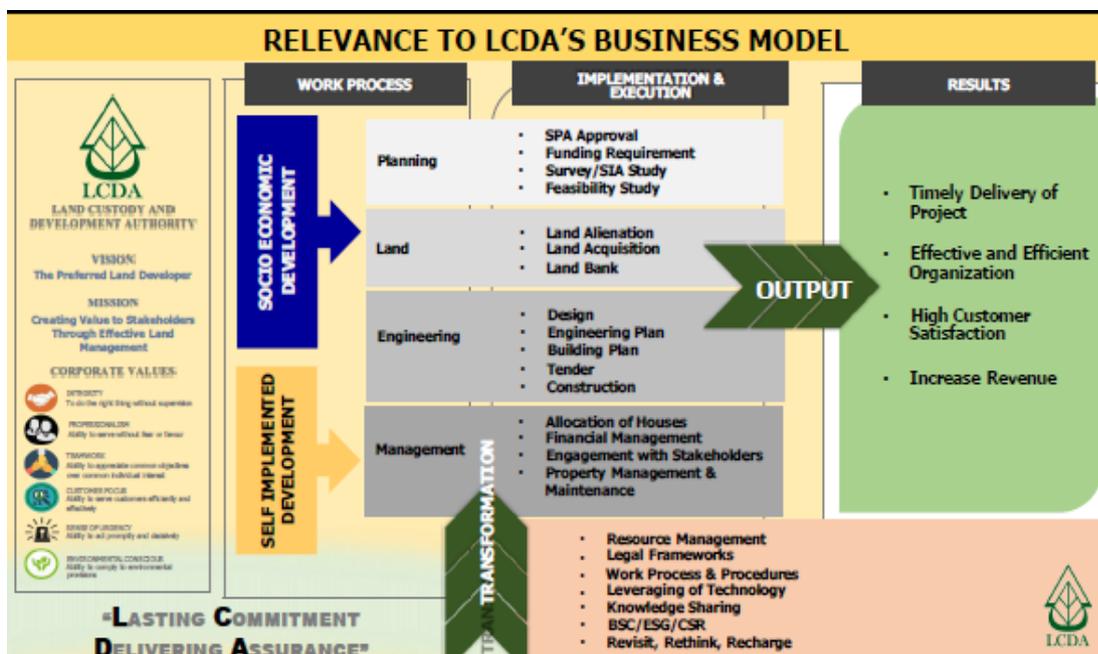
Key Success Factors for Darul Hana ReDevelopment Project

Darul Hana Redevelopment Project received several accolades for its performances including from (Appendix I):

- ACES Awards 2025 for the project that is creating lasting positive impact to the people of Sarawak.
- Sustainability and CSR Awards 2023 for GLC of the Year for Community at Heart Award

There are several Key Success Factors involved, amongst them are (Figure 5):

i. LCDA Business Model



Source: Ramly (2023)

Figure 5: LCDA Business Model

Leadership of LCDA that has a mission to implement land development projects throughout Sarawak to improve socio economic well-being of the community in a sustainable manner while achieving organizational profitability and creating value for our stakeholders. LCDA does this by fulfilling:

- Environmental Sustainability: Restoration of river ecosystems, integration of green spaces, and climate-resilient design.
- Social Sustainability: Community-first approach, ensuring inclusivity, safety, and preservation of Sarawak's identity.
- Economic Sustainability: Empowering resettled communities with long-term income opportunities.

- Governance & Innovation: Transparent engagement, phased implementation, and use of innovative urban planning methods.

These are undertaken in line with Sarawak's Government's Post Covid 19 Development Strategy 2030 (Economic Planning Unit Sarawak 2021) (Figure 6).



Source: Economic Planning Unit Sarawak 2021.

Figure 6: Sarawak's Government's Post Covid 19 Development Strategy 2030

ii. LCDA's Sustainability and Long Term Resilience Programmes through

- a) **Environmental Resilience**
Among the programmes included riverbank stabilization, green buffers, and waste management.
- b) **Social Resilience**
Incorporating inclusive planning, strong community trust, and cultural continuity.
- c) **Economic Resilience**
Creation of diversified livelihoods, job creation, and entrepreneurship
- d) **Organizational Resilience**
Efforts were made to obtain stronger government support, stakeholder buy-in, future-proof strategy.

iii. Transparency & Governance In Darul Hana Project

To create transparency and good governance, the following principles were practiced;

- Phased development plan with clear milestones and accountability.
- Budget transparency with regular audits and reporting.
- Open tender and fair procurement processes.
- 100+ consultation sessions with village leaders and residents.
- Participatory planning – communities involved in housing & amenities design (inputs from SIA study).
- Environmental and social safeguards (EIA, SIA, relocation guidelines)
- Independent oversight and compliance.
- Monitoring.
- Governance builds trust, attracts investors, ensures sustainable outcomes.

An essential element of Darul Hana ReDevelopment being a success. is related to compliances to transparency, ESG reporting and industry leadership in terms of

i. Disclosure Practices:

- Regular progress and budget reporting.
- Public consultation outcomes documented.
- Audited financials ensure accountability.
- Open impact data shared (resettlement, environment).

ii. ESG Reporting Alignment:

- Environmental: riverbank stabilization, green spaces, water quality (EIA).
- Social: resettlement success, income growth, cultural preservation (SIA).
- Governance: transparent tendering, compliance, grievance resolution (Procurement and Audit).

iii. Industry Leadership:

- Sets region (Sarawak) benchmark for sustainable urban renewal.
- Lead agency in SIA Study for transparent project disclosure.
- Scalable framework for Sarawak and Malaysia.
- Alignment with SDGs

Darul Hana Redevelopment project have aligned to 11 Sustainable Development Goals (SDGs) and SURIG's Physically Sustainable Community, Economic Sustainable Community and Environmental Sustainable Community. This is illustrated in Figure 7.

Because of the above Darul Hana Redevelopment Projects has been able to perform in terms of

i. Housing Condition Improvements



ii. Six Months After First Phase Resettlement



Figure 7: Illustration of Transformation Created by Darul Hana Redevelopment Project

Conclusion

Darul Hana proves LCDA's business model that adopts sustainability model is critical in the redevelopment project of Darul Hana. The project has been able to turn liabilities (flood-prone villages) into assets (modern, thriving township). On the part of the State Government through LCDA, it was able to deliver real value in terms of safer communities, stronger economy and resilient environment. At the same time the project was implemented incorporating much community engagements.

In concluding, the quotation by YAB Premiere of Sarawak on the 17th May 2011 would provide an illustration of what it takes to create a best practised redevelopment programme:

“To modernise a village, we will need the villagers to play their role by accepting changes, having a mindset shift and giving cooperation. We are sure that the Darul Hana project has big potential, especially as one of the tourism spots in the state.”

YAB Premier Sarawak, 17 May 2011

(cited from Ramly, 2025)

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Acknowledgment

The contributions and deliberations of the panelist and participants during the MSIA Hard Talk Session held on the 3rd October 2025 are very much appreciated.

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 authors and do not necessarily reflect that of MSIA.

Appendix I: ACES Awards 2025 for Community Initiative Award and Sustainability and CSR Awards 2023 for GLC of the Year for Community at Heart Award

CONGRATULATIONS

LAND CUSTODY AND DEVELOPMENT AUTHORITY (LCDA)

for winning Community Initiative Award, ACES Awards 2025



OFFICIAL STATEMENT FROM THE ACES COUNCIL

The ACES Council congratulates the Land Custody and Development Authority (LCDA) on its recognition as the winner of the Community Initiative Award at the ACES Awards 2025. LCDA's transformative work through the Darul Hana Redevelopment Project reflects a deep commitment to uplifting communities while preserving cultural identity. By combining sustainable urban planning, inclusive consultation, and resilience-building measures, LCDA has set a benchmark for how development can address social, economic, and environmental needs in harmony. This accolade recognises their success in creating lasting, positive impact for the people of Sarawak.

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AIA (Cambodia) Life Insurance Plc
Bangkok Life Assurance PCL
Cebu Landmasters, Inc.
Subang Jaya Medical Centre

2023
Government Savings Bank
Navigos Group Vietnam Joint Stock Company

2022
Astrazeneca (Thailand) Limited
PT Heinz ABC Indonesia
PT LDC Indonesia
Sunway Lagoon
WP Energy Public Company Limited



MESSAGE FROM PRESIDENT

INNOVATING FOR A SUSTAINABLE FUTURE

At the ACES Awards 2025, we honour leaders and organisations who are not just moving ahead, but doing so with intention. This year's theme, *Leading with Purpose*, reflects a powerful shift taking place across Asia - where growth is measured not only by success, but by significance. Our winners this year embody this shift. They lead with vision, responsibility and integrity, proving that purpose-driven leadership is the true foundation of lasting impact.

“



It is my honour to congratulate the Land Custody and Development Authority on winning the Community Initiative Award at the ACES Awards 2025.

Your efforts in the Darul Hana Redevelopment Project demonstrate the power of inclusive planning and community engagement.

By resettling families into safer, flood-resilient homes while respecting tradition and culture, LCDA has proven that progress and heritage can thrive side by side.

This recognition reflects the genuine impact of your work and the inspiration it brings to other communities across the region.

I look forward to celebrating it this November.



Dr. Shanggari Balakrishnan
President, ACES Awards



