

MSIA Reading Series 26

“SIA MONITORING (SIMP): PENANG EXPERIENCE”

Panel Speaker:
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Moderator:
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The speaker is an alumni of UTM specialising in town and country planning. She has served as Assistant Director of TCPD Melaka; and so on project manager in various units at TCPD before being appointed as the Director of Regional Planning at TCPD HQ. She has also served as the Board of Director at Perda Penang; and was the secretariat for SPC Penang and is also a registered Geospatial member. She is currently the Director of Town and Country Planning Department (TCPD), Penang.

**Transcribed, translated and edited by
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MSIA TALK 1/2025

SIA MONITORING (SIMP): PENANG EXPERIENCE



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Malaysian Association of Social Impact Assessment



1. Introduction

Dato's experience in SIA started at Pulau Pinang (henceforth fondly stated as Penang) as she chaired the numerous SIA panel meetings. Her sharing today is not so much about how to monitor SIMP at Penang but is more about sharing information on the topic. Penang is in its infancy stage when it comes to monitoring of SIMP.

Moderator: SIA was already in practice even before Act A1522 was passed but in the past SIA appeared more as a subsector within EIA reports as socioeconomic studies. Beginning 2017, there were Categories 1, 2 and 3. Categories 1 and 2 comes under the purview of the Town and Country Planning Department (TCPD) at Headquarters while SIA Category 3 comes under the same department at the state governments. Only in 2023, this was reduced to Category A at TCPD Headquarters and Category B at TCPD state governments. The current guideline given by Handbook of the Social Impact Assessment for Development Projects (PPSIA) has since been adopted by Penang State Government in 2023. In addition to the list of projects stated in PPSIA, Penang has also added some others such as any industries within 500m from nearest residential area; development of columbarium; and any development that is foreseen to have social and environmental impacts. These are such due to the fact that the state government places importance on the welfare and wellbeing of the people.

Speaker: Penang is experiencing rapid development due to influx of investments, including FDIs. For that it is important that it is pertinent that development is monitored. At least for now, Penang does not have gazetted Local Plans. Instead, what is being practiced is the State Structure Plan. With SIA, both Majlis Bandaraya Pulau Pinang (MBPP) and Majlis Bandaraya Seberang Perai (MBSP) are able to use it as a tool to control development, by monitoring social impacts from the development projects, besides controlling environment concerns. SIA can also be used as a platform by the public to provide feedbacks.

SIA report should not be seen as a federal policy that is forced onto state governments to implement, but instead it should be seen as a project tool in addressing any negative impacts by the project proponent. She stresses on the need for SIA consultants to ensure developers have a better understanding on the need for SIA reports. She suggests perhaps for MSIA to organise events targeting at developers to inculcate the adoption of SIA for development projects.

Dato' also highlighted the fact that approval of the SIA Report does not automatically mean the

project would be approved, instead the SIA Report forms as one of the criteria required among others before the approving body could consider approving the project. Among others, the approving authority, usually the One Stop Centre (OSC) stands guided to impose conditions based on the findings and recommendations of the SIA Report. The SIA Report forms as a foundation to identify expected social impacts and what steps could be undertaken to overcome them given the project takes on. For some projects, not only residents raise objections, but also agencies which often question PLANMalaysia on whether a particular project under consideration ought to be approved. She feels the most important component of the SIA Report is the chapter on Social Impact Management Plan (SIMP). She states that when PPSIA was tabled for approval and adoption, the state government approved it despite knowing that SIA may delay the implementation of any proposed project, taking note of the importance placed on the *rakyat's* wellbeing. The state government is aware that SIA may extend further the Ease of Doing Business at the state, but it is important for SIA to be there in the absence of a Local Plan.

Monitoring of SIMP

Based on this, Penang is the first state in the country to prepare a Manual for Monitoring SIMP under her leadership. This is despite realising that the officers will be laden with more work functions, taking the spirit of EIA where monitoring is conducted. Since SIA comes under PLANMalaysia, the onus is on PLANMalaysia Penang to prepare the Manual for Monitoring of SIMP. PLANMalaysia Penang will look into areas for improvement in the monitoring process as it is a little unclear of the monitoring process and the time line, taking note that its being a pioneer for monitoring in the country. Some of the project proponents have accepted the monitoring process well.

Moderator: It is interesting to note that both the SIA Manual (2018) and PPSIA (2023) have been implemented at Penang. In addition, it is noted that each state has its own *Tatacara Pelaksanaan SIA* which differs from one state to another, causing some difficulties on SIA consultants. There are also efforts by various parties to introduce SIA, including by planners, architects, CIDB and residents. He cited an example of an ongoing project at Penang where a particular group of stakeholders have become more positive after they understood the challenges and have arrived at an amicable conclusion, after going through a series of engagements with them. He questioned whether SIMPs prepared so far are effective. All other impact assessment reports, if any, must be referred to in the SIA Report.

Speaker: There are only a handful of SIA consultants at Penang. Her observations are as follow:

- (i) On ZOI, depends on project. Impacts differ by project. Often it is radial but this needs to be looked into. It is important to identify ZOI based on the experience of SIA consultants, and from input from qualitative engagements, after which earlier ZOI should be revised.
- (ii) Writing of mitigation measures – often they are too broad. Mitigations should be specific to the issues that arise. Often it is written as “refer to TIA Report” as the mitigation measure. This is not acceptable in SIA Report as this would require the parties concerned having to refer to the TIA report itself when monitoring is carried out. Similar observation on Geotechnical report, or the EIA Report. There is a need to pick up key mitigation measures from such reports into the SIA report. The mitigation measures must also have KPIs that are measurable and not ambiguous.
- (iii) Penangites are very vocal. PLANMalaysia and the local authorities in the state have received many complaints related to certain proposed projects, which it could refer back to the SIA Report when it is presented to the Committee of Review Panel. At times, there is a mismatch between what the complaint is and what is documented in the report.

There are many projects in the pipeline and are expected to impact on various stakeholders, with project proponents requesting the need for SIA to be waived – but PLANMalaysia have never agreed.

Moderator: There seems to be too many mitigation measures for an issue, and there are also monitoring to be done in 3 months, 6 months and so on. How do you look into these matters in Penang?

Speaker: Dato’ presented slides to answer this question. She stressed on the statement that SIMP is a “Akujanji” (pledge) by the project proponent to monitor, report, evaluate, review and react proactively on social impacts that arise from the proposed project. It is a must that the project proponent is aware of what is written in their report, especially the mitigation measures and those stated in the SIMP. There have been cases where the project proponent was not aware of certain mitigation measures stated in the report.

A. Components of Monitoring

The components in Monitoring of SIMP are:

Step 1 – Evaluation of impact including on the environment, economy, physical, and social;

Step 2 – Mitigation measures that include:

- Conducting engagements with the affected communities
- Ensuring the mitigation measures are implemented effectively
- Project proponent works collectively with the agencies and the stakeholders on the demands by the communities.

Step 3 – Social monitoring that include:

- Compliance
- Monitoring of impacts.

B. Techniques of Monitoring

This can be done by means of visuals (photographs), site visits, complaints from local communities, and whether verifications and approval of government agencies have been obtained.

C. Seven Elements on Project Monitoring Framework

They are:

- (i) The Social Impact Identified – each of the positive and negative impacts must be stated in the SIMP.
- (ii) The Significance Level of the Impact – refers to the colour scheme representing the extent of the social impact.
- (iii) Mitigation Measures and Improvements – refer to mitigation measures on the negative impacts and improvement mechanisms to elevate the positive impacts on the communities.
- (iv) Targeted Outcomes – socially desired outcomes expected; must be general and realistic; and can be related to objectives and commitments to Quality Standards such as ISO 45000, ISO 14001, ISO 39001 and ISO 26000.
- (v) Key Performance Indicator – must be realistic and easily measurable.
- (vi) Monitoring Mechanism – method used in monitoring the achievement of KPIs and effectiveness of mitigation measures.
- (vii) Monitoring Frequency – frequency of monitoring the mitigation measures; and must

mention for how long will the monitoring will be carried out.

Monitoring is made by submission of evidence or by PLANMalaysia officially going down to the site to verify complaints or claims stated in the Monitoring Report, with the frequency agreed upon by the PLANMalaysia and the project proponent. At the time of this discourse, PLANMalaysia has not gone down to the site physically. There is also a committee that forms the mediatory unit such as the *Pusat Perkhidmatan Nelayan* for the Silicon Islands

D. Contents of SIMP Monitoring Report

The Monitoring Report must be prepared periodically, and in the case of Penang, every six months, and submitted to the SIA Secretariat, local authority and related agencies for the purpose of verification and enforcement. If need be, these agencies may call upon the project proponent to present the monitoring report. The Monitoring Report must contain the elements shown in Figure 1.

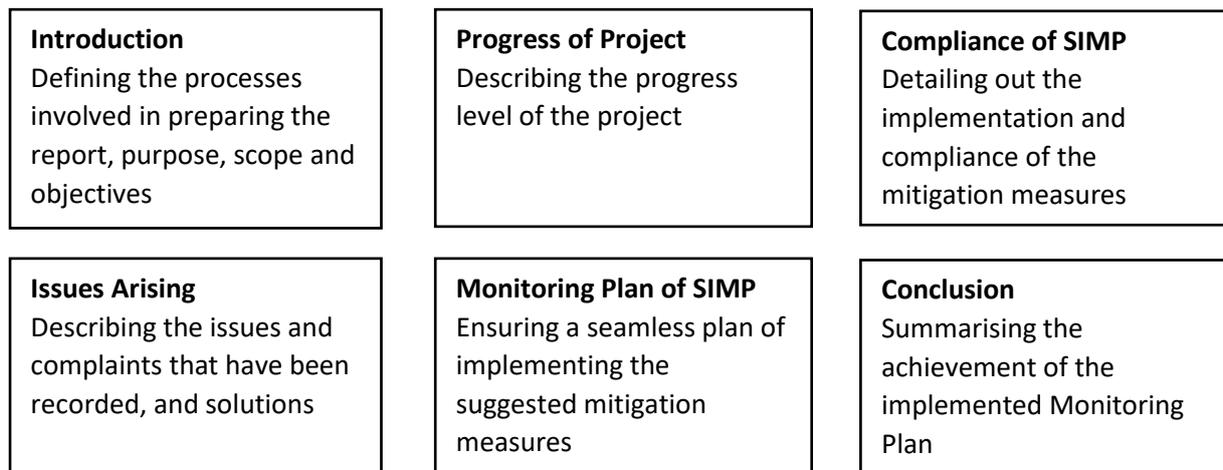


Figure 1: Contents of SIMP Monitoring Report

E. Phases of SIMP Monitoring

These are presented in Table 1.

Table 1: Phases of SIMP Monitoring

Phase	Responsibility	Action
After the SIA Report is Approved	PLANMalaysia	Approval of SIA Report
	OSC	Approval of Planning Permission application
Planning	Project Proponent	1. Monitoring at this stage starts after the approval of the Planning Permission (<i>Borang C1</i>) has been obtained
	Agencies Involved	2. Monitoring form is sent to agencies concerned after obtaining approval of Planning Permission
	Project Proponent	3. Receive and record comments and actions required as proposed by agencies concerned
	PLANMalaysia	Verify the Monitoring Report presented every six months by the Project Proponent in this phase. Meetings towards this intent can be arranged as per the need.
Construction	Project Proponent	1. Begins after <i>Borang B</i> is submitted to the Local Authority concerned.
	Contractor/ Developer/ Agencies involved	2. Monitoring form is submitted by the contractor/developer to the agencies concerned to monitor the condition at the site.
	Project Proponent	3. Monitor the public complaints through the complaints management mechanism. Site visit conducted if necessary.
	Project Proponent	4. Receive and record comments and actions required as proposed by agencies concerned.
	PLANMalaysia	Verify the Monitoring Report presented every six projects by the Project Proponent in this phase. Meetings towards this intent can be arranged as per the need.
Operational	Project Proponent	1. Once construction is completed and Certificate of Occupancy CCC is obtained.
	Contractor/ Developer/ Agencies involved	2. Monitoring form is submitted by the contractor/developer to the agencies concerned to present the condition at the site.
	Project Proponent	3. Monitor the public complaints through the complaints management mechanism for 6 months in this stage.
	Project Proponent	4. Receive and record comments, impact and actions to be taken by contractor/developer/agencies concerned.
	PLANMalaysia	Verify the Monitoring Report presented by the Project Proponent six-monthly in this phase for 1 or 2 years (as prescribed by in the SIMP). Meetings towards this intent can be arranged as per the need.

As suggested by PPSIA, monitoring ought to be done under three phases – planning, construction and operational stages. Questions have been raised before as to when should the monitoring during the planning stage begins. It should be carried out once the Borang C1 / Planning Permission has been obtained. When there is non-compliance, say within 6 months in this stage, PLANMalaysia will request local authority concerned to stop approving Building Plan and other plans that are issued after the approval of the Planning Permission, until actions are taken by the project proponent. In Penang, this is based on source of authority (*punca kuasa*) – by means approval of the state committee for implementation of the project, involving Form G22 under OSC Checklist for the approval of Building Plan. She says, the monitoring becomes ineffective if there is no action taken by the project proponent.

At the construction stage – there must be actions taken by contractor/project proponent that must be checked and endorsed by the respective agencies. The report must be complete with the verifications by all related agencies. In Penang, there has been submission of Monitoring Report save the verification by respective agencies at this point of time.

At the Operational Stage – the total length of the monitoring at this stage depends on types of the projects. Verification of agencies must be obtained before the Monitoring Report is submitted to PLANMalaysia.

F. Matrix of Monitoring by Project Type

Various forms are available to be completed by the project proponent for different phases of the development, as stated in the table below. For planning and construction stages – all must be undertaken. For the operations stage, the total length of monitoring is determined according to project as stated at the base of Table 2.

Table 2: Matrix of Monitoring by Project Type and Phase

No.	Project Type requiring SIA Report	Phase		
		Planning	Construction	Operations
1.	Industries	X	X	X ¹
2.	Solid waste disposal sites & incineration	X	X	X ²
3.	Power & utilities	X	X	X ³
4.	Roads & LRT Station	X	X	X ⁴
5.	Housing & Affordable housing	X	X	X ⁵
6.	Commercial	X	X	X ⁶
7.	Cemeteries, crematoria & columbarium	X	X	X ⁷
8.	Sea reclamation	X	X	X ⁸
9.	Labour quarters	X	X	X ⁹
10.	Solar farms	X	X	X ¹⁰
11.	Mining	X	X	X ¹¹
12.	Farming & Aquaculture	X	X	X ¹²
13.	Hillside development	X	X	X ¹³
14.	Other development projects as determined by state PLANMalaysia or Local Authority	X	X	X ¹⁴

Notes:

X¹ – divided into 2 categories

1. Individual industries involve continuous monitoring for 2 years.
2. Industrial lots only require monitoring carried once within 6 months after completion and operation of project.

X^{2,3} – Continuous monitoring for 2 years after completion and operation of the project.

X^{4,5,6,7} – Monitoring for once only within 6 months after completion and operation of the project.

X^{8,9,10,11,12} – Continuous monitoring for 2 years after completion and operation of the project. For solar farm,

Project Proponent must submit a full report on disposal of solar panel after these are disposed.

X¹³ – Monitoring for 2 years (subject to development at and above contour 76m and gradient 250).

X¹⁴ – As determined by PLANMalaysia of state or Local Authority concerned.

G. Structure of Monitoring Process

In process, the norm is to monitor every six months, as per Figure 2 below.

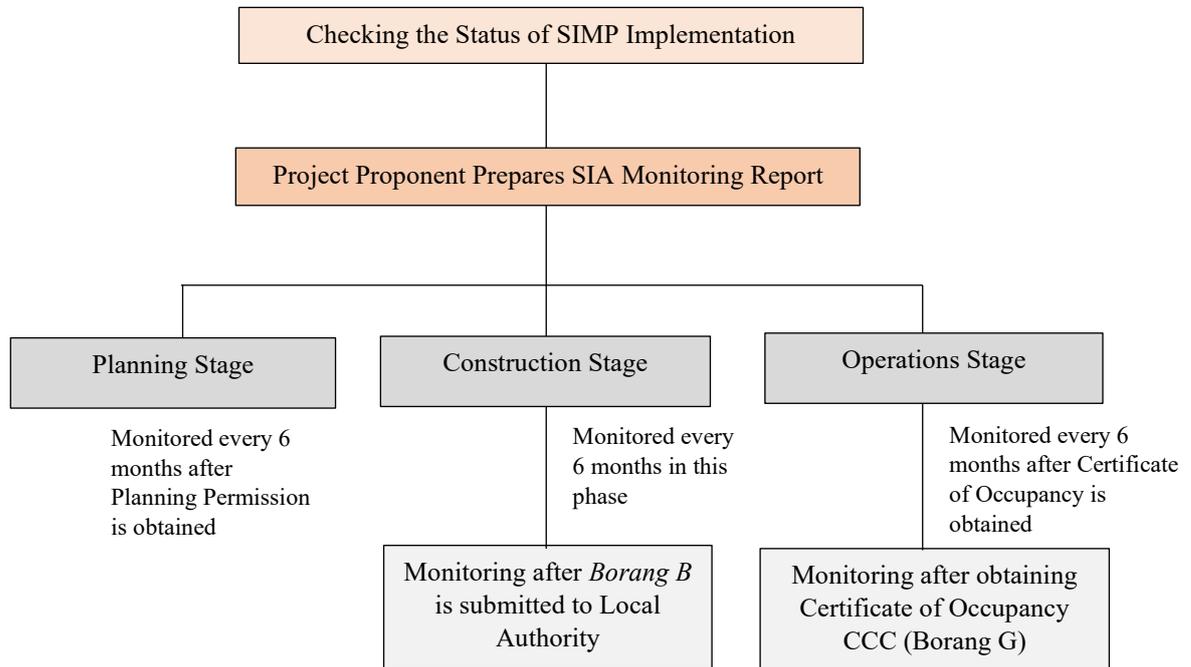


Figure 2: Structure of Monitoring

H. Flow Chart of Monitoring

The flow chart shows the checkpoints of action before any approval of monitoring report can be endorsed. In any case where there are non-compliances, the process will it revert back to earlier levels. Given verifications have been obtained, there will be no need to request for the Project Proponent to present to the committee. In a worse-case scenario, there could be a stop-work order notice issued for major non-compliances.

Templates 1 and 2 present the format to document the monitoring performed for submission to PLANMalaysia Penang.

H1. Flow Chart of Monitoring at the Planning Stage

See Chart 1.

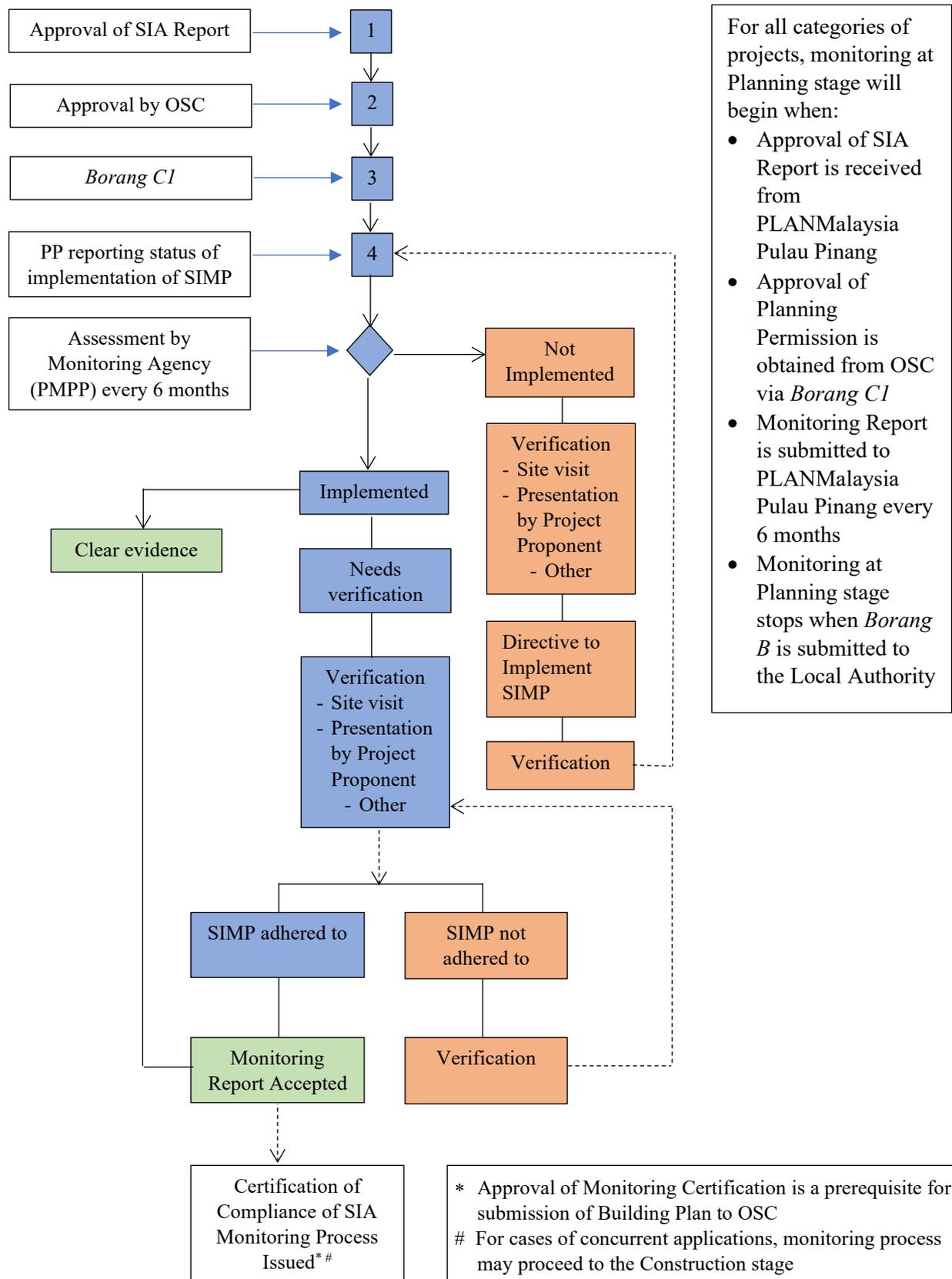


Chart 1: Flow Chart for Monitoring Process during Planning Stage

H2. Flow Chart of Monitoring at the Construction Stage

See Chart 2.

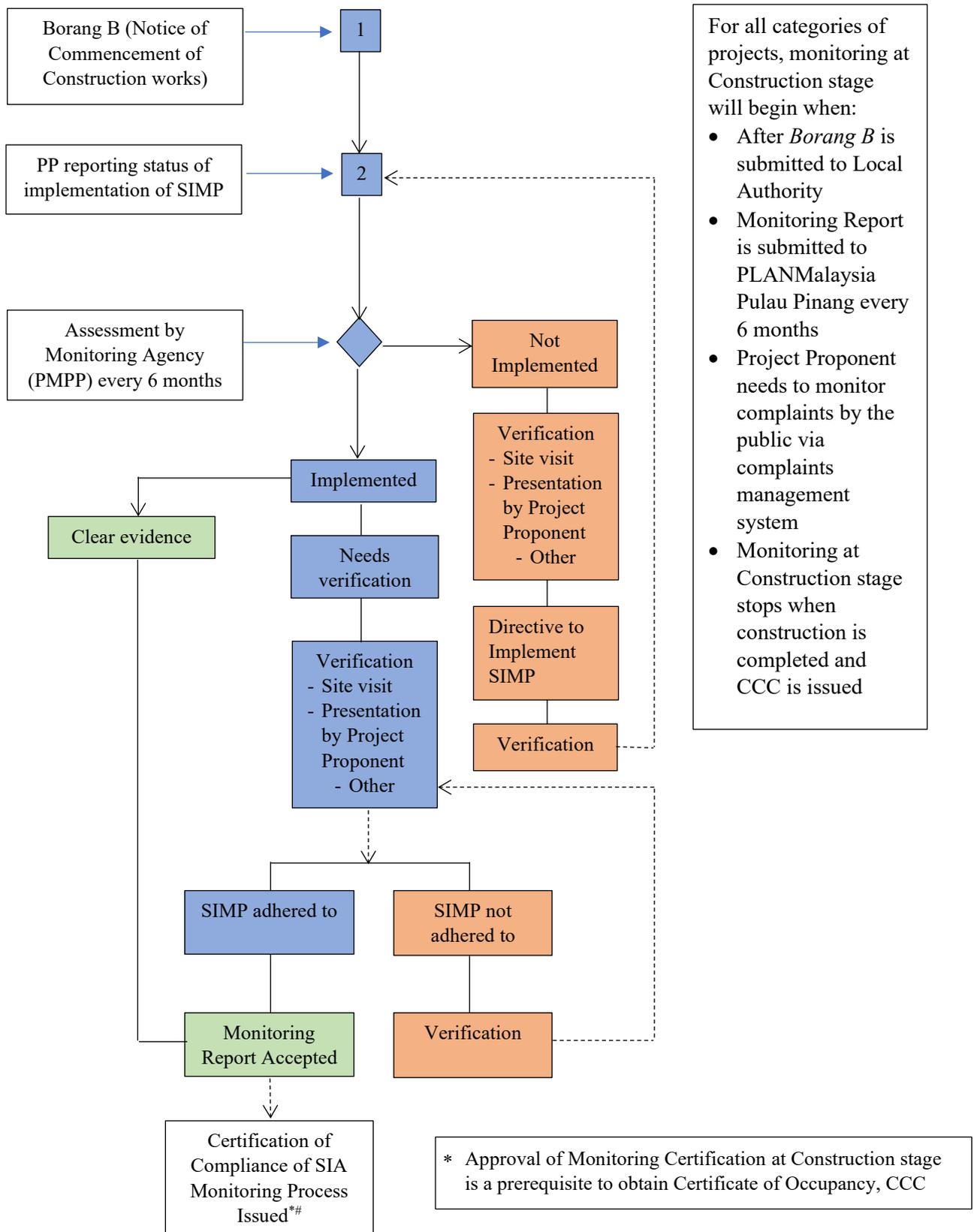


Chart 2: Flow Chart for Monitoring Process during Construction Stage

H3. Flow Chart of Monitoring at the Operational Stage

See Chart 3.

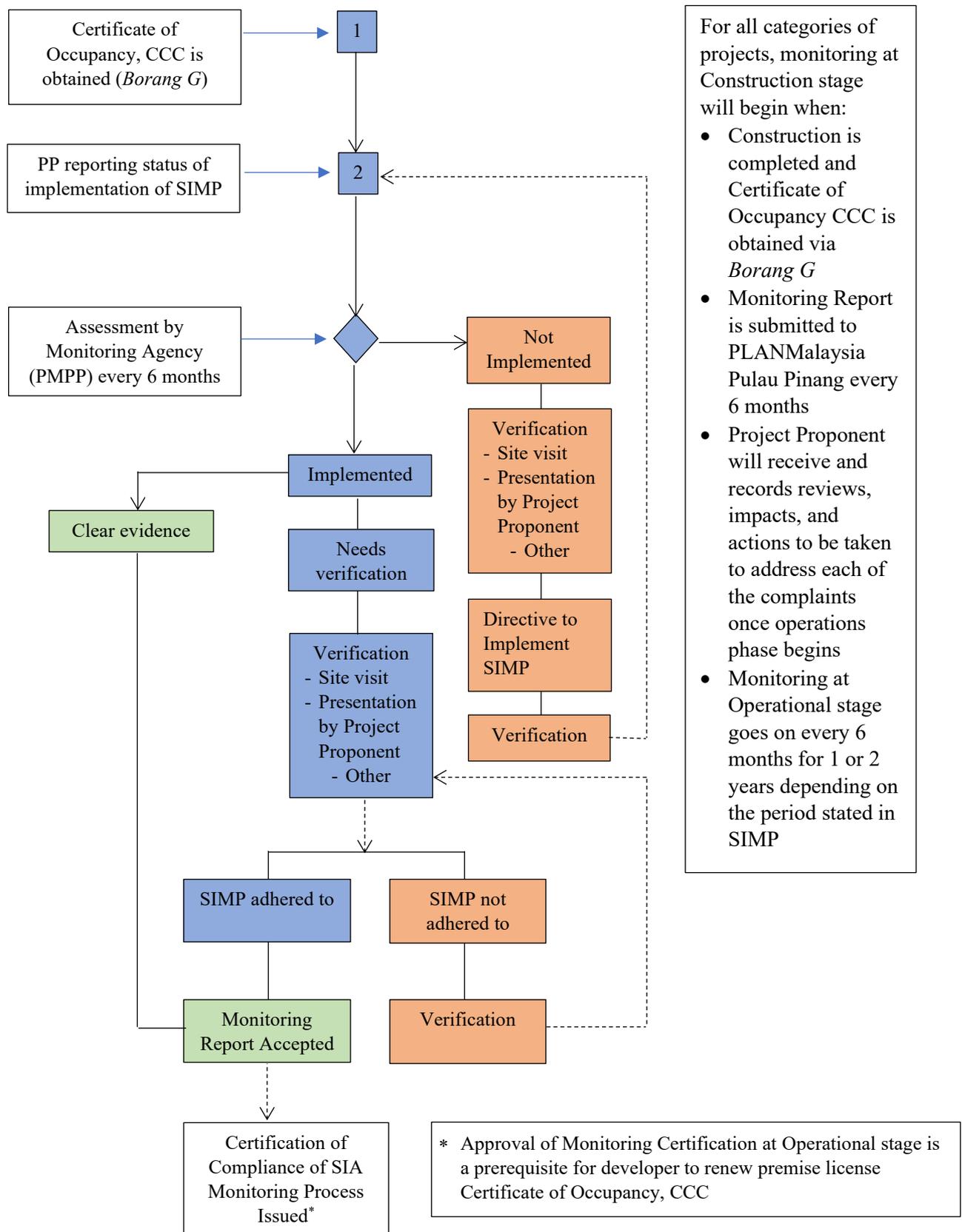


Chart 3: Flow Chart for Monitoring Process during Operational Stage

Template 1: List of Issues for Monitoring of SIMP (to be filled by the Project Proponent)

PHASE (fill in accordingly)						
HEALTH AND SOCIAL WELLBEING						
Impact	Significance Level of Impact	Mitigation Measures	KPI	Monitoring Mechanism	Monitoring Frequency	Monitoring Verification
a)						
b)						
c)						
d)						
e)						
QUALITY OF LIVING ENVIRONMENT						
a)						
b)						
c)						
d)						
e)						

Template 2: Monitoring of SIMP at Phase _____ (to be filled accordingly)

Name of Project : _____

Penggerak Projek : _____

Date of Monitoring : _____

IMPACT AS STATED IN SIMP				
Impact (refer to SIMP)	Mitigation Measures (refer to SIMP)	Status	Solution to issue faced	Evidence of Implementation
RISKS OR NEW IMPACTS IDENTIFIED				
Impact (refer to SIMP)	Mitigation Measures (refer to SIMP)	Status	Solution to issue faced	Evidence of Implementation
Complaint received	Description of Complaint	Status	Action taken	
Complaints mechanism: (SMS, Email or telephone)				
Complainant: (The public, NGO, Resident Association)				
COMMENTS BY PROJECT PROPONENT			VERIFICATION & SIGNATURE	DATE / NAME / POSITION & CONTACT NO
COMMENTS BY MONITORING AGENCY			VERIFICATION BY DEPARTMENT	DATE/NAME OF VERIFIER / POSITION

Note: Code for Status: 1: Action not taken; 2: In progress; 3: Action completed

There has to be proof of implementation such as by means of photographs or written materials. The challenge to the Project Proponent will be to obtain the endorsement by the various agencies concerned for each of the impacts.

Discussions, Questions, and Answers

Moderator: Given the mitigation stated in the SIMP could be implemented, can any of the legal measures be imposed, such as under Local Government Act 1976 or others? Are there additional avenues for the Committee to recommend improvements to the mitigations stated in the SIMP for a said issue?

Response: If all the mitigation measures are endorsed by the respective agencies that actions have been taken, then there will be no need to call the Project Proponent to make presentation to the Committee. On the other hand, if there are mitigation measures that have not been complied with, then the Project Proponent will be called to make a presentation. At the Committee, there will be recommendations suggested to the Project Proponent. There is a current thought to expand the Committee to include the former panel members. There is however some extent of flexibility allowed to examine the compliance level to the mitigation measures.

Moderator: Six months to two years is good period for monitoring during the operational stage. What happens after the two years – should it be extended or should it be left to the Project Proponent to have it done internally?

Response: Frankly speaking, there are no thoughts about it yet. However, to leave it to Project Proponent to do it under self-monitoring may not be a good measure.

TPr Ishak Ariffin: How are the KPIs and indicators used in the monitoring process of SIMP and the assessment of the achievement of the mitigation measures?

Response: There is a column in Template 1 for KPI and on the status of the achievement of the KPI.

Dr Shahwahid: There is an experience at Perak whereby the development is to sell plots of land, and say if the plots are sold within the first 6 months in operation, who will be the responsible party to be monitored.

Response: In Penang, there is no land to experience like above. The application of SIMP in such cases is limited. The monitoring will be made within the 6 months. The responsible party will be the Project Proponent within the first 6 months, and the land owners after that period.

Dr Kuppusamy: Given there are more than one agency stated for one particular mitigation measure, should all the agencies concerned endorse the form jointly?

Response: Usually only one agency is cited for one mitigation measure. Given there is more than one agency cited, it should be addressed on a case-by-case basis.

TPr Ishak Ariffin: [Comment] (i) Industrial parks that has sold its individual lots – there are no parties affected as long as no buildings are erected, thus no need for any SIA during the operational stage. However, it will be necessary once the lot owner wants to develop its industry on the said land.

(ii) On another note, EMP is examined every 12 months. For SIMP, similar method can be employed on mitigation measures that are found to be less effective. The purpose of monitoring is to increase the effectiveness of the mitigation measures. Hence, avoid the use of the term "flexibility" in implementing SIMP.

(iii) How can we perform monitoring after the defect liability period?

Response: Taking CLQ as a case, once the operator takes charge, it is the operator who should be responsible to monitor social impacts that arise.

TPr. Herlina: As compared with the number of KPI developed during the preparation of SIMP, there could be only 30% that could be achieved. Is there any experience in Penang about such cases. What happens to such cases?

Response: Penang does not have such a situation yet. Given the agencies are satisfied with the quantum of the KPIs, then it is alright.

TPr. Herlina: Given the limited space in the Template forms, would it not be better to allow for larger spaces or in the format of paragraphs to explain the situations?

Response: Not necessary. Further details can be given in additional appendices.

Acknowledgment

MSIA appreciates the sharing of knowledge and experience by Y. Bhg Dato' TPr Gs Rozita binti Hamit, the Director of PLANMalaysia Pulau Pinang for her contribution at this discourse.

We wish to thank Dr Gobi Krishna Sinniah as the moderator and all others who have shared their thoughts and questions.

Disclaimer

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