MSIA Reading Series No. 32

TECHNICAL GUIDELINES SOCIAL IMPACT ASSESSMENT DEVELOPED BY THE MINISTRY OF AGRARIAN AFFAIRS OF THE REPUBLIC OF INDONESIA (ATR/BPN), WORLD BANK & KFW DEVELOPMENT BANK: Lessons, Challenges & Opportunities for Malaysia

By

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1. Introduction

Social Impact Assessment (SIA) has evolved from a regulatory bureaucratic requirement into a core mechanism for sustainable development, corporate accountability, and risk governance. Globally, infrastructure projects, urban regeneration, and industrial expansion frequently intersect with the socio-economic fabric of local communities. These intersections can trigger complex consequences ranging from economic displacement and cultural fragmentation to physical resettlement.

Within South East Asia, taking Indonesian and Malaysian context, the operational architectures governing SIA display diverse variations dictated by national legislative histories, institutional priorities, and exposures to international development financing.

This MSIA Hard Talk provides a comparative institutional analysis of the SIA frameworks of Malaysia and Indonesia. It shares an essential topic rarely accessible to the Malaysian SIA community. The talk explores the Technical Guidelines on SIA Developed by the Ministry of Agrarian Affairs of the Republic of Indonesia (ATR/BPN), World Bank & KFW Development Bank. The deliberations provided indications on the challenges, opportunities and lessons that could be learnt for Malaysia:

The talk is structured as follows:

i SIA practice in Malaysia and Indonesia
ii Technical Guidelines Social Impact Assessment developed by ATR/BPN, World Bank & KFW Development Bank
iii Current Awareness of Livelihood Restoration in SIA Practices in Malaysia
iv Urban Renewal Activities (URA) Mitigation and Implementation Methodology Improvements
v Other Complementary Social Impact Management Plans (SIMPs) in Indonesia

2. SIA Practice in Malaysia and Indonesia

2.1 SIA Practice in Malaysia

Malaysian SIA reporting, monitoring and auditing are very much guided by the *Panduan Pelaksanaan Penilaian Impak Sosial bagi Projek Pembangunan* (PPSIA), which are official 2023 guidelines from PLANMalaysia for conducting SIAs. This manual defines the required procedures, public engagement methods, and evaluation criteria for development projects to promote community well-being**.**

PPSIA is oriented more as a “Planning System” It was developed mainly to strengthen SIA quality, standardise submissions, support development control, and integrate social considerations into planning permission. It is strongly connected to:

i land use planning,
ii planning approval,
iii layout and development impacts,
iv local authority review process,
v planning conditions,
vi SIMP requirements.

This is why PPSIA fits very well into Malaysia's town planning framework. The country is ahead owing to its professionalization in this area. Malaysia actually has a stronger:

i organized SIA community,

ii structured training ecosystem,

iii MSIA institutional role,

iv evaluation panels,

v practitioner development culture.

The Malaysian Association of Social Impact Assessment (MSIA) itself plays a very important role in this ecosystem. That professional maturity is an advantage.

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ii structured training ecosystem,
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2.2 SIA Practice in Indonesia

In Indonesia, the institution championing SIA pertaining to land administration and planning is the Ministry of Agrarian Affairs of The Republic of Indonesia (ATR/BPN) or locally known as *Kementerian Agraria dan Tata Ruang / Badan Pertanahan Nasional.*

The main functions of ATR/BPN are:

1. Land administration involving the registration, ownership recording, certification and information management of land.

2. Spatial planning (t*ata ruang*) encompassing compliance to national spatial planning policies, spatial planning coordination, land use control and spatial conformity management.

3. Land acquisition for public projects comprising of coordinating land acquisition processes, preparing and implementing ……. (DPPT), administering compensation and resettlement, and resolving land ownership matters.

4. Agrarian reform including on land redistribution, social equity in land ownership and resolution of land tenure issues.

5. Customary / indigenous land administration involving the recognition and registration of customary land rights, and indigenous land governance coordination.

6. Land conflict resolution consisting of mediation of land disputes, settlement of overlapping claims and community–project land conflict management.

7. Support for infrastructure and national strategic projects that included facilitating land readiness, coordinating inter-agency land processes, supporting implementation of strategic development projects,

ATR/BPN is relevant in SIA matters. Under the SIA guideline, ATR/BPN plays a major role because many social impacts are linked to land acquisition, resettlement, livelihood loss, customary land, vulnerable communities and spatial planning decisions. *So ATR/BPN is not merely a "land office".* It functions as a key institutional actor in social safeguards, land governance, resettlement management and socially sustainable development planning.

Given the above functions played by ATR/BPN, Indonesia's Guideline is more "Social Safeguards" oriented. This guideline is broader and much wider than PPSIA. It treats SIA as:

1. A governance mechanism,
2. Social safeguards instrument,
3. Project risk management system,
4. Implementation management process,
5. Monitoring and auditing framework.

It combines:

1. EIA/AMDAL that is Environmental Impact Assessment *(Analisis Mengenai Dampak Lingkungan*)
2. Land Acquisition,
3. Livelihood Restoration,
4. Indigenous Peoples,
5. Labor,
6. Health And Safety,
7. FPIC- Free, Prior, and Informed Consent
8. Grievance Systems,
9. Cumulative Impact Assessment,
10. Monitoring And Audit.

Indonesia is much stronger in livelihood restoration. This is probably the clearest gap beteen Malaysia and Indonesia. The Indonesian guideline strongly emphasizes:

1. livelihood restoration,
2. post-displacement recovery,
3. long-term welfare,
4. vulnerable households,
5. economic displacement,
6. relocation strategy,
7. post-project **monitoring.**

PPSIA discusses mitigation and resettlement. BUT livelihood restoration is not yet deeply operationalized. Table 1 below provides a comparison of the roles of both countries' guidelines

Table 1: PPSIA (MALAYSIA) VS INDONESIAN SIA TECHNICAL GUIDELINE (2024)

Aspect	PPSIA (Malaysia)	Indonesia Guideline (2024)
Primary Orientation	Planning approval support document	Social risk governance framework
Custodian	PLANMalaysia	Multi-ministerial + WB + KfW
Main Function	Support Kebenaran Merancang	Manage social risks throughout project lifecycle
Legal Position	Under planning system / Act 172	Linked to EIA, land acquisition, safeguards, SEA, donor systems
Main Focus	Assessment for planning approval	Assessment + management + monitoring + audit
SIA Philosophy	Development planning tool	Social safeguards & sustainability system
Strength	Practical planning integration	Comprehensive operational governance
Weakness	Monitoring & livelihood restoration less developed	Complex and resource-intensive

3. Technical Guidelines Social Impact Assessment developed by ATR/BPN, World Bank & Kfw Development Bank

The above Technical Guidelines Social Impact Assessment is a set of practical guidels for conducting SIA on land and spatial-planning projects in Indonesia, prepared jointly by the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN) with support from the World Bank and KfW Development Bank.

Typically the guidelines:

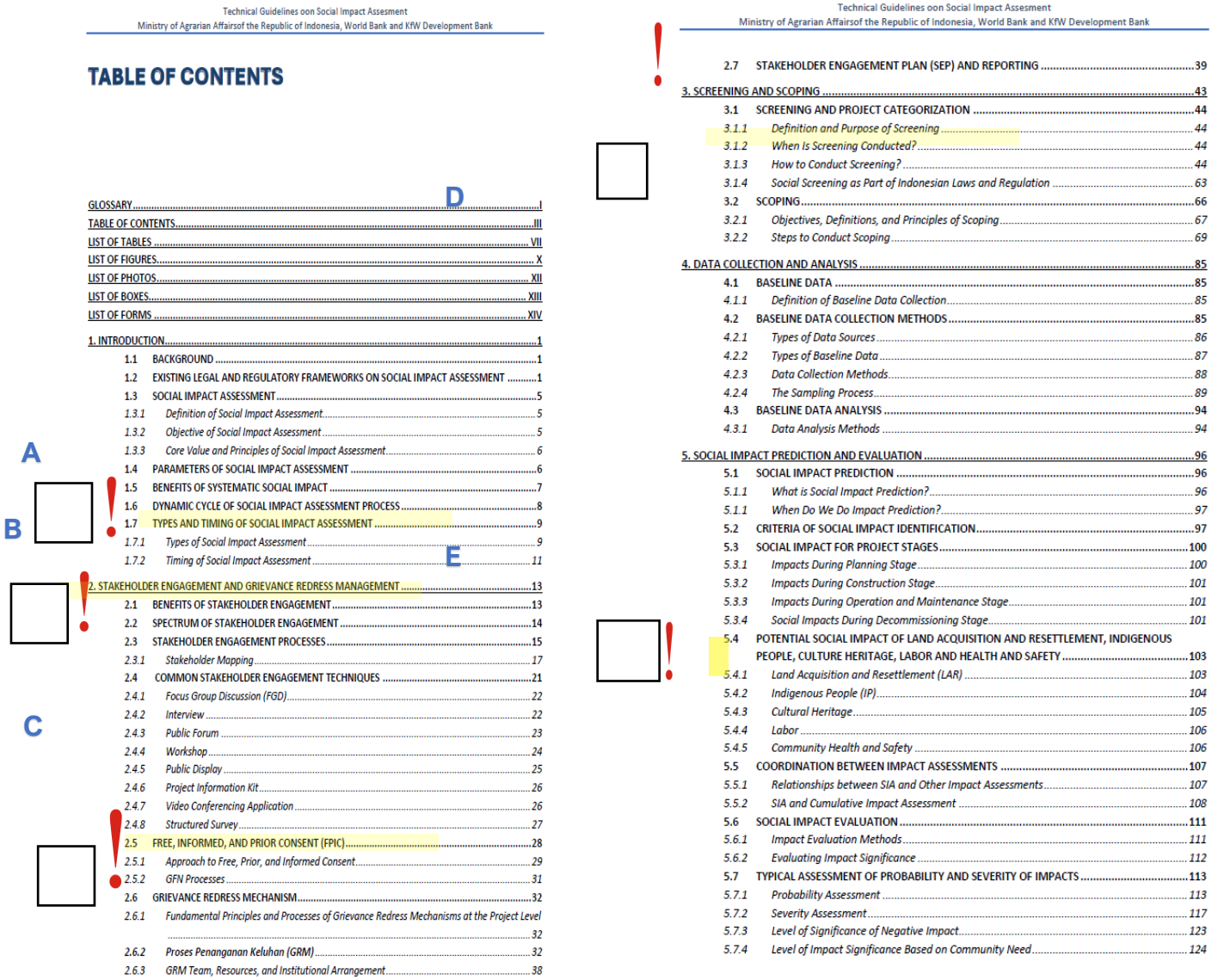
- Define scope and principles of SIA in Indonesia's agrarian/spatial context, aligned with national law and international standards.
- Lay out step-by-step procedures: screening and scoping; baseline socio-economic and cultural studies; impact identification and analysis (including vulnerable groups, gender, Indigenous communities), risk classification, and human-rights considerations.
- Specify stakeholder engagement requirements: early, continuous, and documented participation; disclosure; grievance redress; and, where relevant, FPIC-aligned practices for Indigenous Peoples.
- Detail planning instruments: Social Management Plans, Livelihood Restoration Plans/Resettlement Action Plans where land acquisition or access restrictions

occur; monitoring and evaluation frameworks; indicators and reporting formats.

- Clarify institutional roles: ATR/BPN responsibilities versus implementing agencies/consultants; coordination with provincial/district land offices; and alignment with donor safeguards (e.g., World Bank ESS, KfW sustainability guidelines).
- Provide templates/tools: data-collection checklists, terms of reference, survey instruments, impact matrices, and example TORs for consultants.
  What I could verify:

Table 2 provides the table of contents of the Technical Guidelines Social Impact Assessment Developed by the Ministry of Agrarian Affairs of the Republic of Indonesia (ATR/BPN), World Bank & KFW Development Bank.

Table 2: Table of content of the Technical Guidelines Social Impact Assessment developed by ATR/BPN, World Bank & KFW Development Bank.



Technical Guidelines oon Social Impact Assesment
Ministry of Agrarian Affairsof the Republic of Indonesia, World Bank and KfW Development Bank

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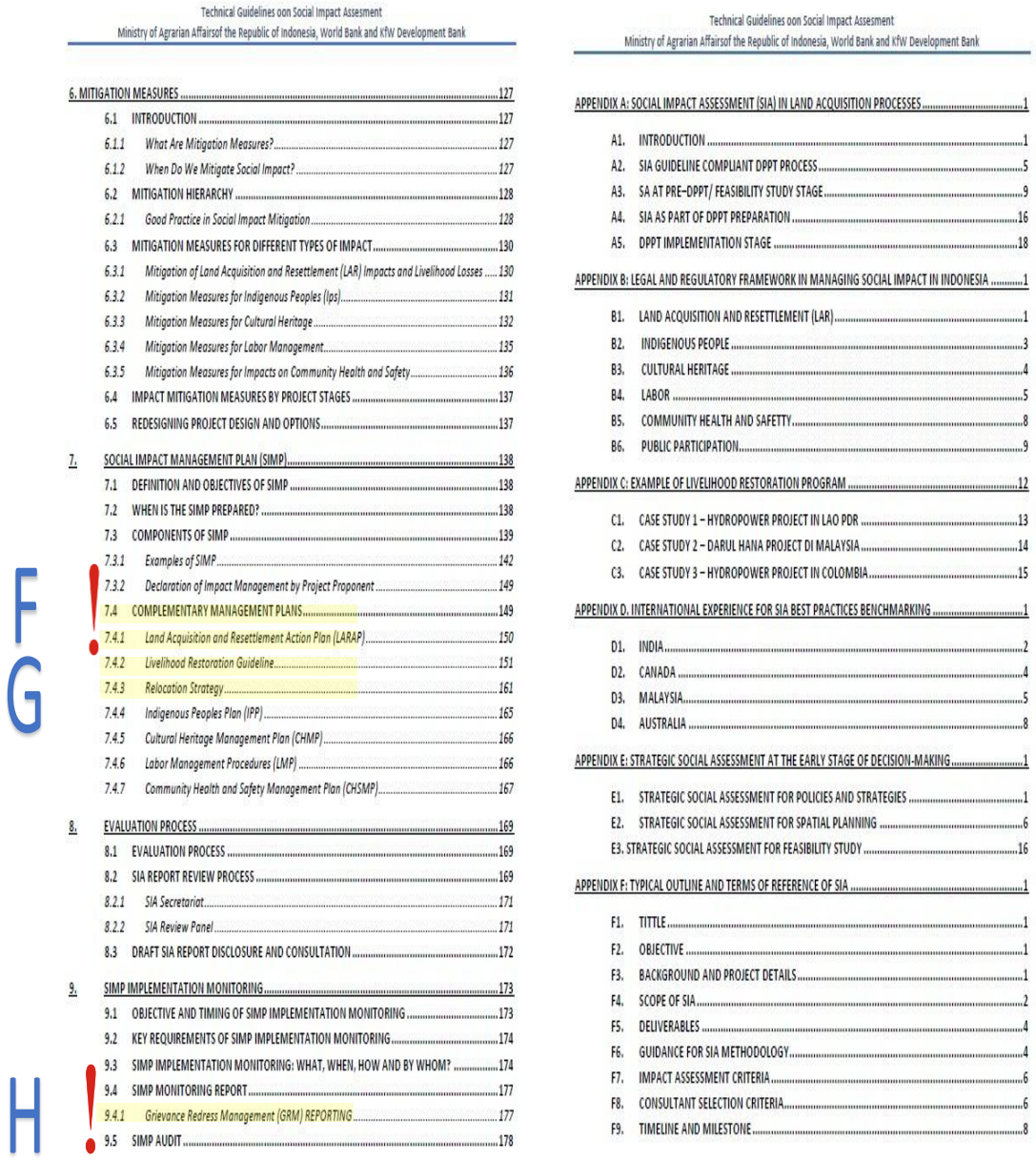

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A. Types of SIA / Socio-Economic Analysis (SEA)

'A' highlighted the types of SIA / Socio-Economic Analysis (SEA) being prepared for Indonesia that include :

i As part of financier requirement
ii As part of regulatory requirements eg in various EIA reportings
iii As part of regulatory documents in development and layout planning
iv As part of document for land acquisitionplanning.

The types of SIA / SEA reporting are described in Figure 1

A:TYPES OF SIA/SEA IN INDONESIA

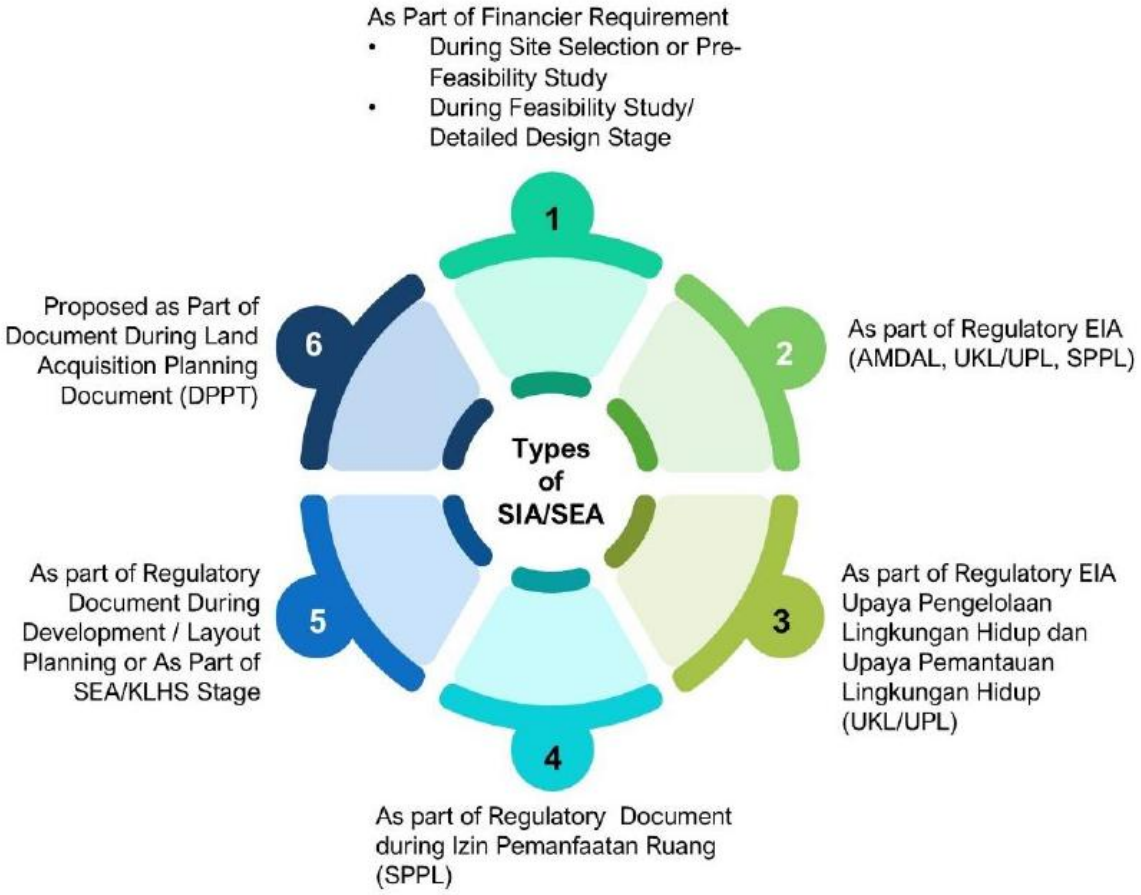


Figure 1: Types of SIA / SEA investigated in Indonesia

B. Process of Stakeholder Engagement

'B' shows the process of stakeholder engagement from

i Stakeholder mapping
ii Analysis
iii Planning
iv Communication
v Consultation / collaboration / integration
vi Evaluation

The above process flow are provided in the framework of Figures 2 and 3.

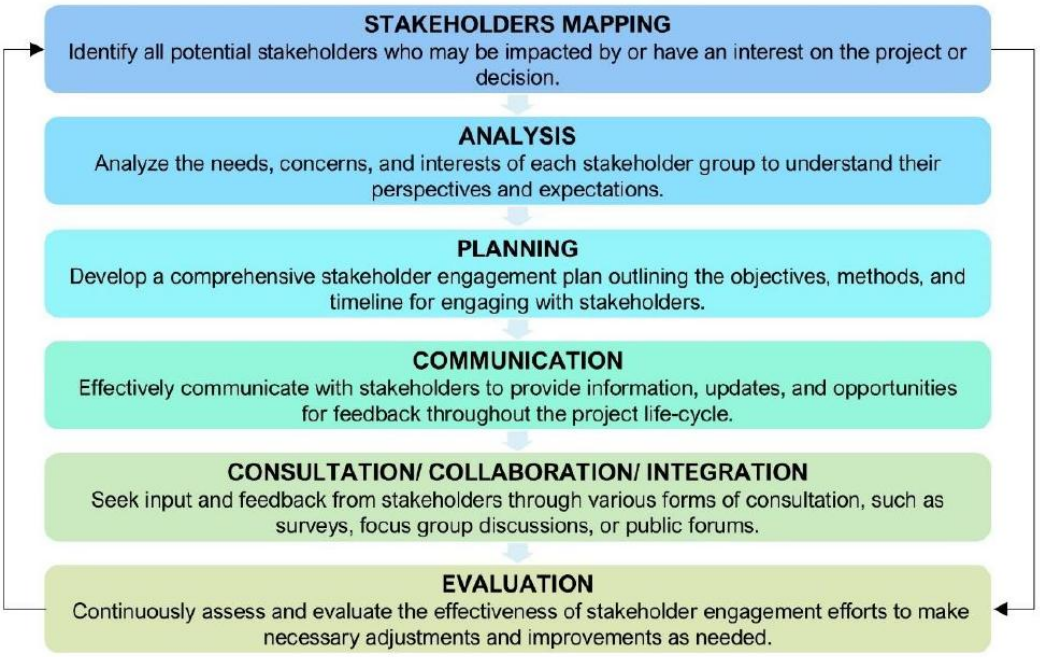


Figure 2: Stakeholder engagement processes

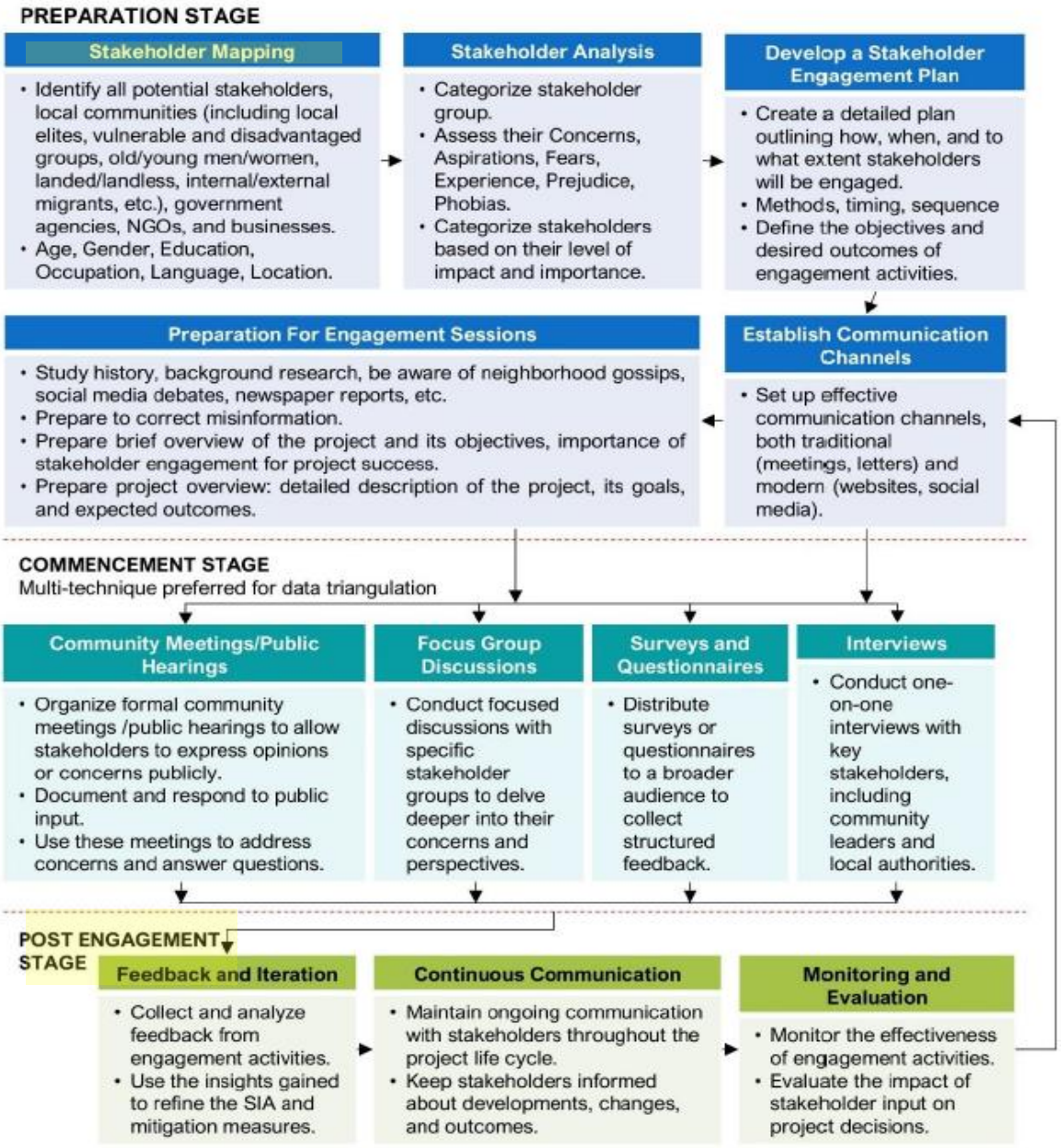


Figure 3: Stakeholders engagement methods

A critical step in stakeholder engagement is stakeholder mapping (Figure 4). Stakeholder Mapping is a systematic process used to identify, analyse, and prioritize individuals or groups based on their power, influence, and level of interest in a project. The process typically begins with identifying all potential stakeholders. To build an accurate map, organisations rely on a variety of qualitative and quantitative information sources, including through brainstorming and review sessions of desk research, project charters, historical data from past initiatives, organizational charts, industry benchmarks, and consulting existing lists and direct interviews or workshops with key participants. This is followed by a community mapping and categorising them into specific groups of direct and indirect affected parties. Next, organisations analyze these stakeholders using matrix tools—such as the Authority -Interest Quadrant—to determine how to effectively manage each relationship.

Figure 4: Steps In Stakeholder Mapping

An important step in the stakeholder mapping is the identification of vulnerable and disadvantage people. This category of stakeholder involves iIndividuals who will likely experience challenges in responding to project impacts because of their disadvantaged to shocks due to the project. This stakeholder category includes:

- elderly individuals,
- widows, female-headed households,
- disabled individuals,
- migrants,
- religious and ethnic minorities,
- individuals without recognizable tenure rights, landless individuals),

as well as individuals whose livelihoods are particularly sensitive to project impacts, examples are:

- peasants displaced from land or natural resources on which they depend for their livelihood;
- fishing communities and forest dwellers who do not have legal ownership rights to fishes, forest products, and other sources of livelihoods which they will lose due to the project;
- traders and merchants who depend on location-specific customer networks from where they are displaced;
- internal migrants without ID cards who do not have access to formal safety net; and
- females and children who may be subject to human trafficking, child and forced labor, and sexual exploitation and assault/sexual harassment.

C. Free Prior, Informed and Consent (FPIC)

Another essential principle in the stakeholder engagement is the process of Free Prior, Informed and Consent (FPIC) that is highlighted in ‘C’ (Figure 5)

F	P	I	C
FREE	PRIOR	INFORMED	CONSENT
Consent is given voluntarily and without coercion, intimidation, or manipulation, based on a process that is self-directed by the community from whom the consent is sought, unencumbered by coercion, expectations, or externally imposed timelines.	Consent is sought sufficiently in advance of the commencement of activities that affect material impact.	Information on the nature, scope, purpose, duration and areas of the project or activity, as well as their potential economic, social, cultural, and environmental effects, is provided in a language and form that are easily understandable and culturally appropriate.	A collective decision made by the full community and reached through a decision-making process that respects the customary procedures of the communities.

International safeguards standards, such as the World Bank's Environmental and Social Standard 7, require an FPIC under certain circumstances. For example, ESS7 provides that FPIC is required under any of the following three circumstances:

a) Adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation
b) Relocation of IP from land and natural resources subject to traditional ownership or under customary use or occupation
c) Significant impacts on the cultural heritage of IP that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected IP.

Figure 5: the principle of Free Prior, Informed and Consent (FPIC).

D. Project Typology Classification For Social Screening

Having addressed the stakeholder engagement and grievance redress management, the SIA process proceed with screening and scoping. Screening requires the identification of the project types to determine in which category the project would belong from Type A to Type E (Table 3) as highlighted in 'D' of Table 2.

Table 3: Project typology classification for social screening

Project Types	Technical Guidance on Typology of Projects
Type A	Priority and Mega Projects (**Table 3.3**)
Type B	Projects that Cause Major Changes in Land Use or Involve Exploitation of Natural Resources (**Table 3.4**)
Type C	Socially Sensitive Projects (**Table 3.5**)
Type D	Economic Sector Projects with Significant Social Risks (**Table 3.6**)
Type E	Major Infrastructure Projects with Significant Social Risks (**Table 3.7**)

During the social screening, the project typology classification is based on screening general indicators that are provided in Table 4.

Table 4: Screening general indicators for project classification

No.	Screening General Indicator	Description
1.	Magnitude	Typically, the larger the scale of the project, the greater the number of people affected, and the more significant the social risks. The size of the investment value is a good indicator of social risks, however, investment types must also be considered. For example, economic sector projects may affect the jobs of many people even if the investment value is smaller than, for example, major infrastructure construction projects.
2.	Geographic Reach	The spatial extent of potential project impacts can be local, regional, national, and international. The broader the geographical reach of the project and/or the higher the density of human habitation and activities, the greater the project's social risks. Projects that would not cause significant social risks if implemented in rural areas may involve significant social risks if conducted in urban areas.
3.	Complexity	Typically, the more complex the project, the greater the social risks. Projects that are not technically complex may still be considered complex owing to underlying socioeconomic and local political–economic conditions. For example, (i) a simple road rehabilitation project with limited land acquisition may still be complex if the local land market is such that securing alternative lands of comparable size and quality is difficult or (ii) having rampant (i.e., illegal) mining or logging activities nearby means that the number of large vehicles passing the road will increase significantly.
4.	Social Sensitivity	Projects with social sensitivities due to complex social dynamics, low coping capacity of affected people (e.g., low-income groups, elderly individuals, women, children, or Indigenous people), and historical factors (e.g., legacy issues) can significantly increase the social risks. If a large portion of affected people are sensitive to project interventions or shocks due to the project, such projects can cause significant social risks even if the number of directly affected people is small.
5.	Controversy	Projects that can generate significant public interest, opposition, or controversy can cause significant social risks, independent of social risks intrinsic to the project.
6.	Time, including Long-term Effects	Overall, the longer the duration for the project's impacts to occur, the higher the potential social risks. Project impacts may also occur differently over different seasons or periods. For instance, waste runoff during the rainy season, as opposed to the dry season, might contaminate water bodies and affect fishermen's income and community health. The longer the project timeframe, the higher the likelihood of unexpected social impacts. Additionally, projects can cause lasting or irreversible social impacts depending on seasonality factors.
7.	Frequency	Project impacts may occur with different frequencies within a certain time frame. These impacts can be categorized as low, medium, or high, depending on the frequency of occurrence, which can be measured quantitatively on a daily, weekly, or annual basis. Qualitatively, frequency can be described as rare, sporadic, occasional, continuous, or frequent.
8.	Multistakeholder Involvement	Projects that require the engagement and consultation with large groups of sensitive stakeholders, for example, multiple regulatory agencies, interest groups, and NGOs, can involve high social risks.
9.	Irreversibility	Irreversible impacts can occur because the scale of impact exceeds the coping capacity of the affected people. A large-scale physical displacement of vulnerable Indigenous communities can have lasting impacts that are difficult to mitigate. The larger the potentially irreversible impacts, the greater the social risks.
10.	Cumulative	The combined effect of multiple actions, developments, or stressors on a specific community over time can increase the social risks. The total number of people cumulatively affected by multiple projects is a good indicator of cumulative impact, although different combinations of multiple impacts from multiple projects can cause cumulative higher or lower risks.

The screening identification of two project types is provided for illustration (Tables 5 and 6). Table 5 identified projects with major changes to land use and changes to coastal/islands natural resources and their salient characteristics.

Table 5: Projects that cause major changes in land use or involving exploitation of natural resources.

No.	Type of Project	Screening Indicators	ZOI	Technical Guidance for Screening Indicators
B	PROJECTS THAT CAUSE MAJOR CHANGES IN LAND USE OR INVOLVES EXPLOITATION OF NATURAL RESOURCES			
Definition: Major Change in Use refers to significant alterations in the purpose or function of land or resources, often leading to a shift in the socioeconomic dynamics or environmental patterns of a region. Natural resource exploitation involves an extensive use or extraction of renewable or nonrenewable natural resources, potentially affecting local ecosystems and communities. Major changes may be implemented by government agencies, joint ventures, or private investors (i.e., local or foreign).				
1	Projects with major changes to land use	Spatial • Total size of project footprint >100 ha of inhabited areas, or 50ha of habitable/ settlement areas • Change from land to water or from water to land • Change from forest to agriculture or urban and/or • Change from agriculture to urban (population of 10,000 people). Nonspatial • Total of directly or indirectly affected people >1,000 or more than 10% of the local rural population • Multiple projects in the same area cumulatively affecting >3,000 people, or three times more people than directly affected people • Economic or physical displacement >100 people, or 20 families; and/or • Creation or loss of >50 jobs, or 10% of the total affected people	Minimum 5 km	• Diverse and significant stakeholder interests, for example, from civil society groups, opposition parties, academicians, and trade unions • Economic and physical displacement, including IP, informal land users, and other vulnerable communities • Social conflict and unrest, conflict with host communities • Loss of livelihoods, including for host communities • Disruptions of community fabrics leading to loss of community cohesion, safety nets, and communal identity • Impact on cultural heritage (i.e., tangible and intangible) • Significant in/out migration • Sudden and major growth or decline of the local community and an increase or decrease in jobs beyond the local coping capacity • Disturbance to daily life due to noise and air traffic • Significant changes in access to essential services (e.g., health care, education, water, and sanitation). • Labor influx, health and safety risks (e.g., exposure to physical hazards), and GBV • Water and soil contamination and other losses of ecosystem services critical to affected communities
2	Projects with major changes to coastal/island natural resources	Spatial • Total size of project footprint >20 ha of inhabited areas, or >5 ha of habitable/settlement areas • Change in island and/or sea under customary use • Change in coastal areas from natural environment to urban/physical setting	The island and 2 nautical miles around the island Minimum 3 km along the coast from the	• Diverse and significant stakeholder interests, for example, from civil society groups, opposition parties, academicians, and trade unions • Economic and physical displacement, including IP, informal land users, and other vulnerable communities • Social conflict and unrest, conflict with host communities • Loss of livelihoods, including for host communities • Disruptions of community fabrics leading to loss of community cohesion, safety nets, and communal identity

Table 6 identified projects that require large-scale land acquisition and physical relocation and projects and development on/at/near customary land and their salient characteristics.

Table 6: Projects that are socially sensitive

No.	Type of Project	Screening Indicators	ZOI	Technical Guidance for Screening Indicators
C	SOCIALLY SENSITIVE PROJECTS			
Definition: Projects or activities that will be implemented in areas with marginalized communities, IP, high poverty rates, fragile social structures, cultural heritage that is important for local communities, and existing or potential social conflicts or tensions including legacy issues. They may be implemented by government agencies, joint ventures, or private investors (i.e., local or foreign).				
1	Projects that require large-scale land acquisition and physical relocation	Spatial • More than 5 ha in total • On land or/and water Nonspatial • Total of directly or indirectly affected people >2,500 or >5% (urban) or 10% (rural) of the total local population • Multiple projects in the same area cumulatively affecting >20,000 people, or three times more people than directly affected people • Size of economic and/or physical displacement >100 people or 20 families and/or • Creation or loss of >500 jobs, or 20% of the total affected people	5 km	• Significant public interests, disputes, or oppositions • Problems with tenure rights, including customary land use/tenure rights, informal/unregistered land rights • Loss of livelihood for physically or economically displaced people and host communities, particularly severely affected/vulnerable groups • Disruptions of community fabrics lead to loss of community cohesion, safety nets, and communal identity • Social conflict and unrest, including with host communities • Labor influx, health and safety risks (e.g., exposure to physical hazards), and GBV • Water and soil contamination and other losses of ecosystem services critical to affected communities • Legacy issues (e.g., unpaid compensations and forced displacements under previous projects) • Increase in crimes and safety risks • Impact on cultural heritage (i.e., tangible and intangible)
3	Projects and development on/at/near customary land (on land and water)	Spatial • Result in land use/access restrictions to customary sources of livelihoods; and/or • On land or/and water Nonspatial • Total of directly or indirectly affected people >1,000 or >10% of the local population • Size of economic and/or physical displacement >100, 20 families • Multiple projects in the same area cumulatively affecting >20,000 people, or three times more people than directly affected people	3–5 km	• Significant public interests, disputes, or oppositions • Problems with tenure rights, including customary land use/tenure rights, informal/unregistered land rights • Loss of livelihood for physically or economically displaced people and host communities, particularly severely affected/vulnerable groups • Disruptions of community fabrics lead to loss of community cohesion, safety nets, and communal identity • Social conflict and unrest, including with host communities • Labor influx, health and safety risks (e.g., exposure to physical hazards), and GBV • Water and soil contamination and other losses of ecosystem services critical to affected communities

E: **The Typical Land Procurement Plan (DPPT) Process**

Under impact prediction, land acquisition is a primary driver of acute social risk in infrastructure development. The comparative analysis highlights a clear difference between upfront planning permissions and long-term, lifecycle-managed resettlement execution.

In Indonesia, public land acquisition requires a structured, multi-phase document called the *Dokumen Perencanaan Pengadaan Tanah* (**DPPT**). This planning framework integrates social science data into engineering and financial planning across three distinct operational phases (Figure 6):

i Stage 1 – Feasibility Study Document
ii Stage 2 – DPPT Preparation Stage
iii Stage 3 – DPPT Implementation Stage.

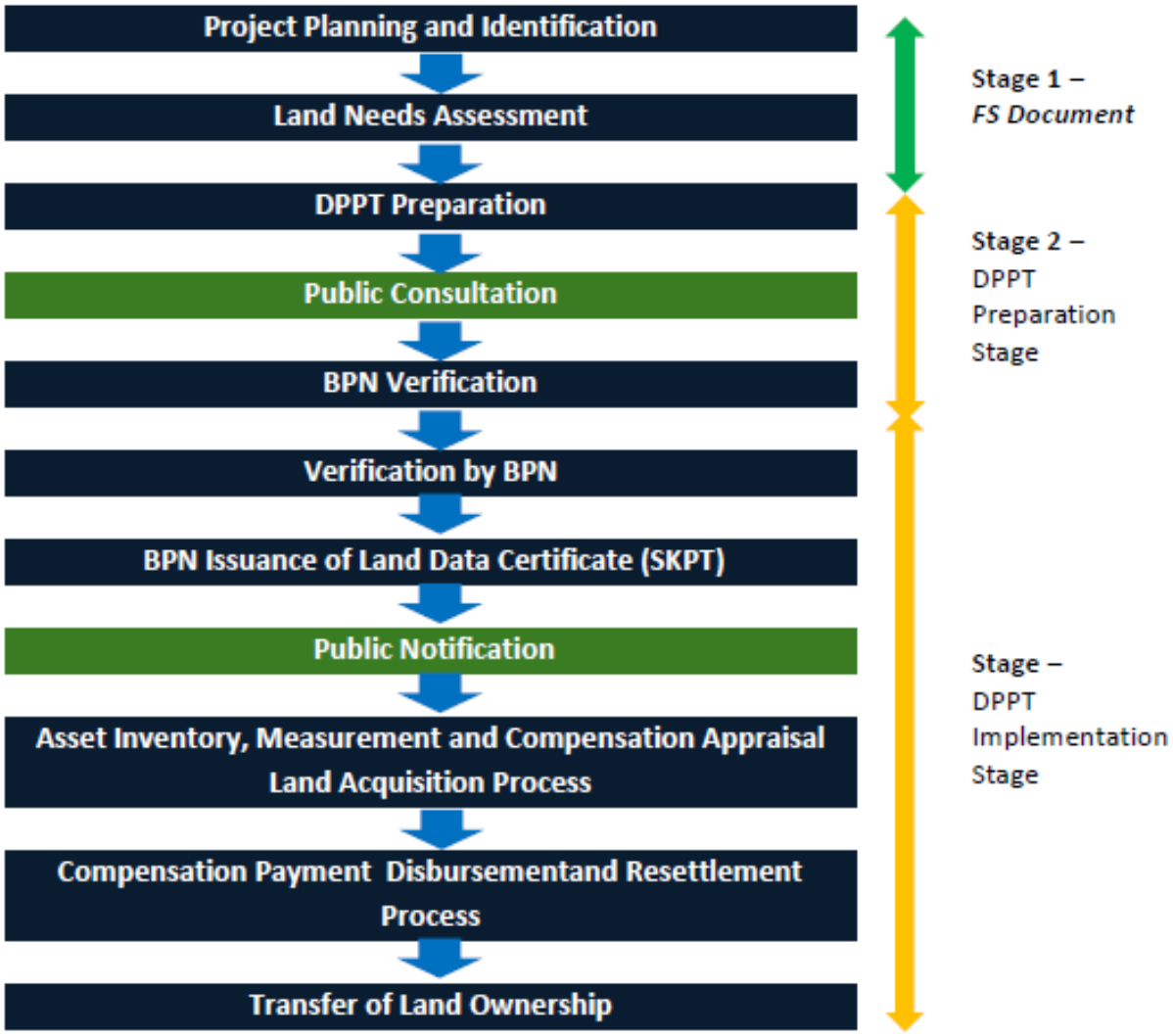


Figure 6: Land Procurement Plan (DPPT) Process

For each of the stages, there is a SIA Compliant DPPT Process that need to be adhered and detailed out in Figure 7.

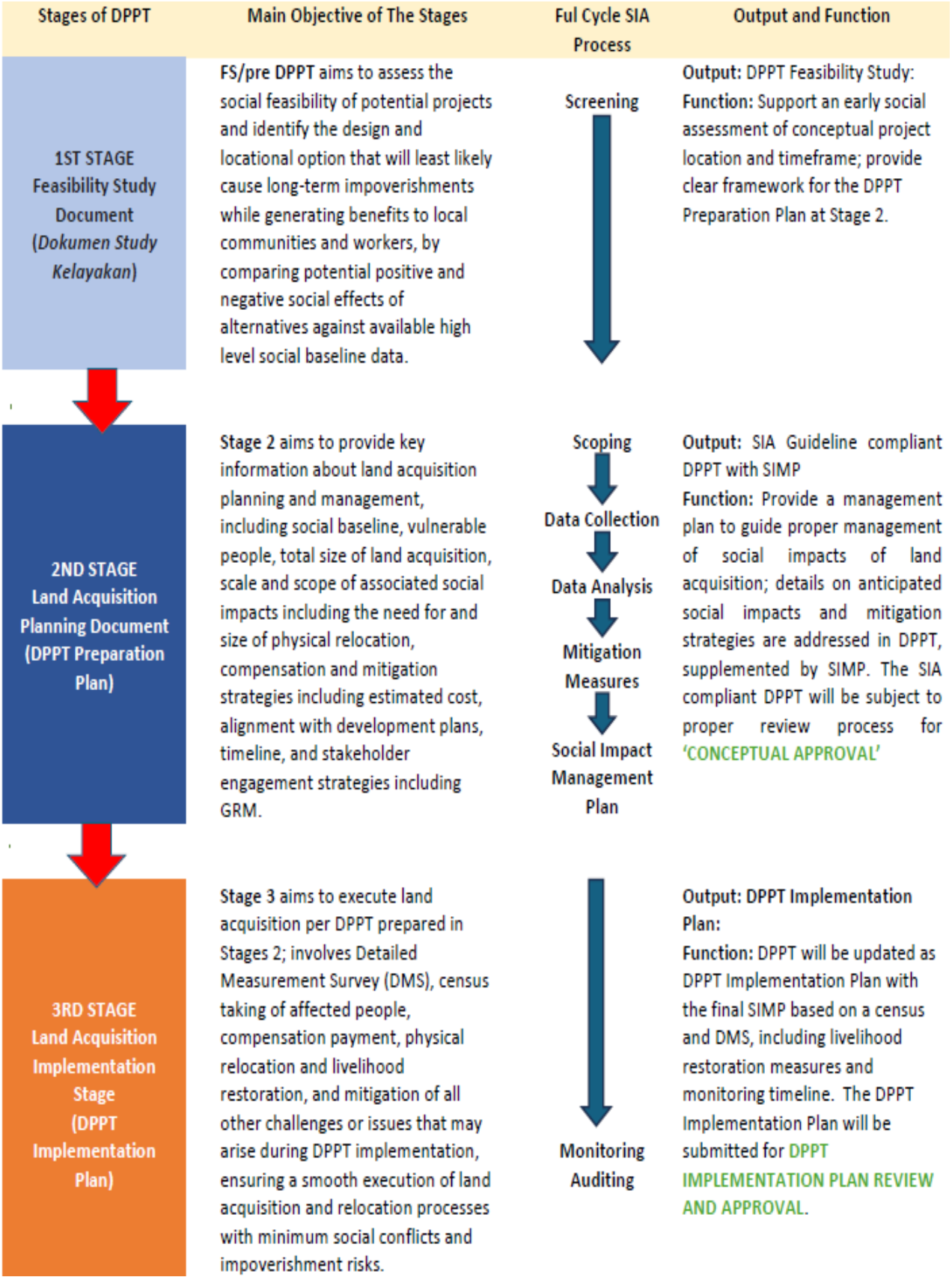


Figure 7: SIA Guideline Compliant DPPT Process

Data collection is critical and there is a minimum social data that must be collected to be able to prepare a quality DPPT Feasibility Study. The minimum data required is subject to:

i Approximate size and types of land to be procured;
ii Approximate number of landowners and users who will be affected (e.g., cases for which access to the land and natural resources are restricted);
iii Potential scale of physical relocation;
iv Approximate number of households with and without secure tenure rights;
v Approximate number of households who will lose more than 20% of productive assets;
vi Approximate number of households with and without secure tenure rights;
vii Typical sources of income for affected people and the level of dependency on land/location-based livelihood resources;
viii Identification and size of different vulnerable groups and the drivers of their vulnerability;
ix Land tenure and legacy issues;
x Estimated cost of compensation based on existing land market value and historical/recent transactions in the area;

There is also a minimum social data requirement that must be collected for DPPT implementation plan. Vulnerability assessment is critical. It helps identify who are vulnerable to land acquisition and resettlement by identifying drivers of vulnerability and assessing the degree to which such vulnerability makes livelihood restoration difficult to achieve in the project areas. Indicators such as below should be assessed:

i Household composition (e.g. widow/elderly/child headed households, dependency ratio >100%, etc.);
ii Asset ownership (e.g. no permanent house, no private latrine, no motorbikes, etc);
iii Income levels (e.g. per capita income below national poverty line, eat 2 or less meals/day, saving and debt, etc.);
iv Sources of livelihoods (e.g. land/natural resource/social capital-dependent livelihoods, diversity of income sources, etc.);
v Human capital and adaptive capacity (e.g. educational and skill levels/types/fungibility, access to training and skill development, etc.);
vi Access to basic infrastructure and services (e.g. distance to market, clean water and sanitation, hospitals, education, etc.);
vii Safety net and resilience (e.g. social and medical insurance, unemployment benefits, community support groups, informal support system, etc.); and
viii Livelihood context (e.g. land and job market, economic prospects, community cohesion, etc.)

There is also a need for a detailed measurement survey (DMS) for the DPPT Implementation Stage comprising of both DMS Physical and DMS Non-Physical components. “Non-physical components” that will be lost as a direct result of land acquisition should also be appraised per Indonesian Valuation Standard 204 (SPI 204) Assessment of Land Acquisition for Development for the Public Interest.

The contents for a DMS Physical is provided in Table 7 while that for DMS Non-Physical is given in Table 8.

Table 7: Contents of DMS Physical

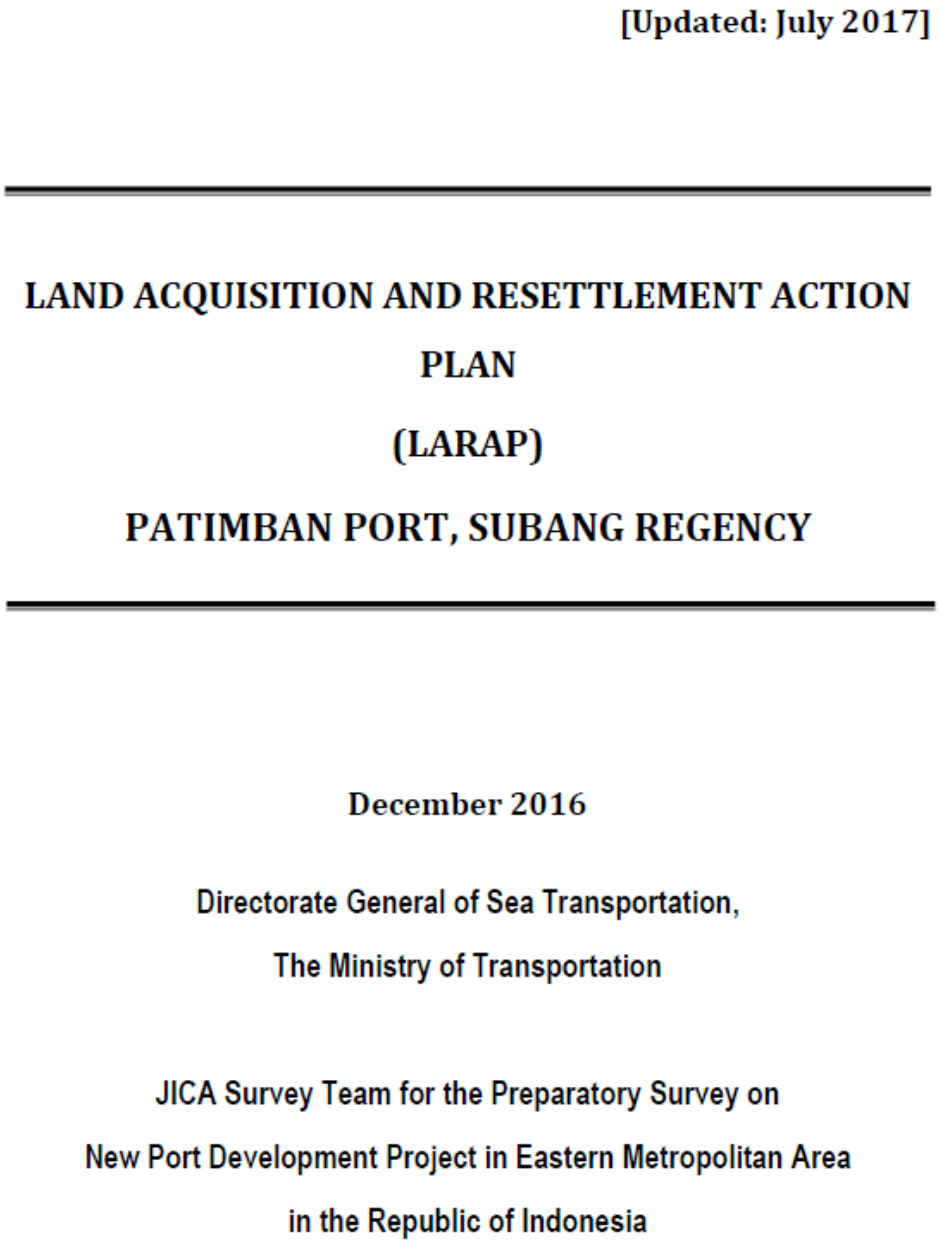
	Contents	Description
1	Boundary Identification	One of the primary objectives of DMS is to determine the boundaries of land parcels to be acquired. This involves locating and marking the boundary lines on the ground based on legal documents and land records.
2	Topographic Survey	A topographic survey is often conducted as part of the DMS to map the natural features of the land such as elevation, slopes, water bodies, vegetation, and other physical characteristics. This information is essential for assessing the suitability of the land for the intended purpose.
3	Existing Infrastructure	The DMS may also include the identification and mapping of existing infrastructure on the land, such as buildings, roads, utilities, and other structures. This information is important for planning the layout of the acquired land and assessing any potential impacts on existing infrastructure.
4	Encumbrances and Easements	The DMS may also involve identifying any encumbrances or easements on the land that could affect its use or development. This information is crucial for understanding the legal restrictions and obligations associated with the land.
6	Mapping and Documentation	The DMS data are typically compiled to create detailed maps, plans, and reports that document the findings of the survey. These documents serve as valuable resources for land acquisition processes, legal purposes, and future development.
7	Physical private assets affixed to land	The DMS should enumerate and measure the physical assets affixed to land that need to be demolished or damaged, such as housing structures, shops, workshops, factories, fences, barns, trees, annual/perennial crops, warehouses, etc.

Table 8: Contents of DMS Non-Physical

Non-Physical Aspects	Description	Example
Compensation for Losses from Land Rights Release	• Potential loss of employment or business, including career changes. • Emotional losses (solatium), intangible losses associated with the acquisition of land used as a residence by the owner • Matters not covered in points a and b above should be determined based on agreements among the relevant parties.	• Compensating loss of income at minimum of 3 months if the asset is used as source of livelihood (rent house or store) • Solatium determined based on the length of residency from (lower than 3 years) 5% to 30 %(more than 30 years) • Historical value of an asset, cultural ceremony cost.
Transaction Cost	• Transaction costs may include relocation expenses and taxes according to applicable laws and regulations.	• Cost to move out to new location and selling-buying taxes for next house/land to buy •
Waiting Period Compensation (Interest)	• A sum of money calculated as compensation for the difference in time between the valuation date and the estimated date of loss payment.	• Nationally estimated rate of financial interest
Remaining Land Loss	• Decrease in land value due to the acquisition of a portion of the land. If the remaining land cannot be used for productively, compensation may be paid for the entire land area.	• When the remaining assets not directly affected by the project become economically unviable, compensation will be paid to the entire assets •
Other Physical Damages	• For instance, parts of buildings severed due to land acquisition, necessitating repair costs to restore functionality.	• Cost to repair in case damages occurs to part of a house during land acquisition •

F : LAND ACQUISITION AND RESETTLEMENT PLAN (LARAP)

Indonesia's LARAP integrates livelihood restoration within its land acquisition processes, emphasizing census-based identification of affected persons, baseline socio-economic surveys, and tailored livelihood programmes (Figure 8).



[Updated: July 2017]

LAND ACQUISITION AND RESETTLEMENT ACTION PLAN

(LARAP)

PATIMBAN PORT, SUBANG REGENCY

December 2016

Directorate General of Sea Transportation,

The Ministry of Transportation

JICA Survey Team for the Preparatory Survey on

New Port Development Project in Eastern Metropolitan Area

in the Republic of Indonesia

Figure 8: An illustration of a report cover of a LARAP for Patimban Port, Subang Regency

Livelihood restoration programmes and their components are classified into::

- Land-based Livelihood Programmes
- Displaced persons with land-based livelihoods should be offered replacement lands of similar size and productivity, or assistance to find such lands if compensation for land loss is cash based.
- Wage-Based Livelihood Programmes
- Wage earners in the affected households and communities may benefit from skills training and job placement. When it comes to wage-based livelihoods, employability and navigating the transition period become primary concerns.
- Enterprise-Based Livelihood

- By understanding the unique challenges and opportunities faced by displaced entrepreneurs, a targeted approach should consider enabling conditions to their current businesses, and the components that they lose as a result of displacement.

The affected person involves the person who has formal legal rights to land or assets that affected from land acquisition process, the person who does not have formal legal rights to land or assets and using the land for generations without formal documentation under customary or traditional tenure arrangements that are accepted by the community and recognized by national law, and the person who has no recognizable legal right or claim to the land or assets they occupy or use.

G. Livelihood Restoration

Livelihood Restoration refers to the process of reestablishing and rebuilding the means by which individuals and communities earn their living and sustain their well-being after experiencing disruption or displacement.

The objectives are:

i Reestablish and improve income, assets and well-being.
ii Goes beyond compensation, aiming for sustainable improvement.
iii Goal is to achieve economic independendence, social stability and quality of life.

Key components of livelihood restoration are:

- Skill development
- Income diversification
- Access to resources (land, water, credit, markets)
- Community participation
- Infrastructure development
- Environmental sustainability
- Programme types: land-based, wage-based, enterprise-based.

In general, livelihood restoration may involve 3 Steps – Preparation, Implementation of Strategy and Monitoring and Evaluation (Figure 9):

i **Step 1 on Preparation**

Preparation involves proper assessment and planning. Critical in this step is the identification of affected persons that are related to the project. It is done from evaluating demographic data on their age, gender, family size, births and deaths and from socio-economic data on their ethnicity, health, education, occupation, income sources.

The criteria for eligible affected person involve:

- the person who has formal legal rights to land or assets that affected from land acquisition process,
- the person who does not have formal legal rights to land or assets and using the land for generations without formal documentation under customary or traditional tenure arrangements that are accepted by the community and recognized by national law,

- The person who has no recognizable legal right or claim to the land or assets they occupy or use.

Several key components of livelihood restoration may have to include skills development of affected persons, income diversification, access to resources (land, water, credit, markets), community participation, infrastructure development, and environmental sustainability.

ii Step 2 Implementation of Strategy

iii Step 3 Monitoring and Evaluation

To establish the continuous livelihood restoration programme, monitoring and evaluating the implementation of the programme is required. At this stage, collaboration with third parties such as NGO and other parties is needed.

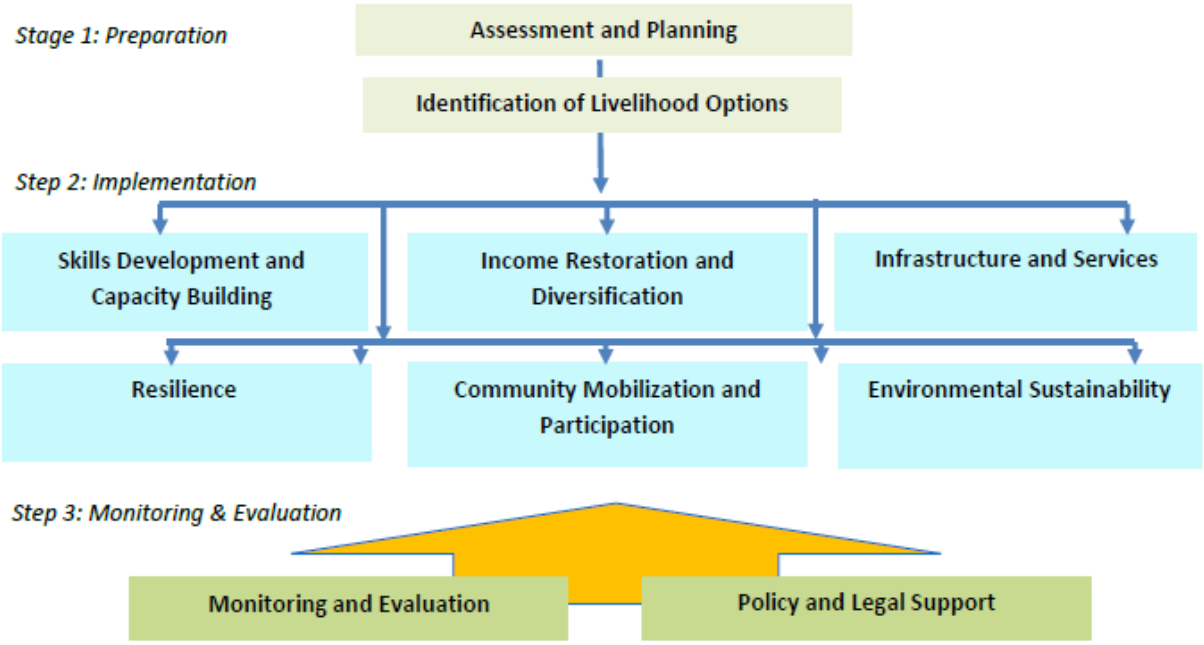


Figure 9: General Process of Livelihood Restoration

The components of livelihood restoration and improvement are provided in Table 9.

Table 9: Components of Livelihood Restoration and Improvement

Component of Livelihood and Improvement	
• Restored or improved income levels • Restored or improved household food security • Restored or improved access to infrastructure and services • Restored or improved security of tenure • Restored or improved household health and nutrition conditions • Restored or Improved livelihood opportunities for women and vulnerable groups • Restored or diversified income sources	• Restored or improved access to markets • Restored or increased yields and sales • Restored or improved consumption and diet • Fewer households living below the poverty level • Restored or improved safety and security conditions • Restored or improved resilience to natural or economic shocks • Restored or improved access to safety net

S

H. Grievance Redress Management (GRM) Reporting

Grievance redress management (GRM) reporting is a vital mechanism for organisations to transparently document, track, and analyse stakeholder complaints and their resolutions. A comprehensive GRM report aggregates data on the volume, nature, and systemic triggers of grievances, while measuring key performance indicators such as response times and resolution efficiency. By transforming individual complaints into quantifiable data, these reports provide actionable insights to mitigate risks, optimise operational processes, and demonstrate accountability to regulatory bodies and the public. Ultimately, consistent and clear GRM reporting serves as a diagnostic tool that strengthens institutional integrity and fosters long-term stakeholder trust.

Table 10 provides the fundamental principles of GRM.

Table 10: The fundamental principles of GRM

Principles	Description
Accessibility	All AP and stakeholders can easily access and use the GRM with minimum barriers. The GRM involves providing information in easy-to-understand language (local language other than the national language), making the process user-friendly, and offering various channels for submitting complaints.
Transparency	The entire process is open and visible to all stakeholders and involves sharing information about the mechanism, its procedures, and outcomes. Transparency helps build trust and credibility in the system.
Responsiveness	Grievances are promptly and appropriately acknowledged, investigated, and responded, providing timely feedback to complainants, addressing their concerns effectively, and implementing necessary actions to resolve issues.
Inclusivity	All stakeholders, especially vulnerable and marginalized groups, feel safe using the GRM, creating a safe environment where all voices are heard and considered, regardless of social status, gender, ethnicity, or other factors.
Fairness	Complainants are treated impartially and equitably and their claims are reviewed fairly and objectively to ensure that decisions are made without bias or favoritism.
Effectiveness	GRMs are supported by adequate resources, authority, and procedures to address and resolve grievances efficiently.

A Grievance Redress Management (GRM) system utilizes a hierarchical framework designed to resolve stakeholder complaints efficiently. Its core operating principle is to address and settle issues at the lowest possible administrative level before escalating them to higher authorities. Typically structured as a five-tier framework, this system ensures accessibility, rapid resolution for minor issues, and formal, unbiased oversight for complex disputes. Table 11 provides a description of the five-tier GRM framework.

Table 11: Five-tier GRM framework

Tier	Structure	Definition
1st	Frontline Resolution	• Initial level at which grievances are received. • Frontline staff or customer service representatives are often responsible for managing and resolving straightforward grievances. • Grievances are resolved at this level whenever possible to ensure quick and efficient resolution.
2nd	Departmental or Functional Escalation	• If the grievance is not resolved at the frontline level, it may be escalated to the relevant department or business unit. • Departmental managers or designated personnel with expertise in the specific area of the grievance become involved. • This tier is responsible for complex grievances that require specialized knowledge or authority.
3rd	Executive or Leadership Review	• Grievances that remain unresolved after the second tier may be escalated to the executive or leadership level. • Senior management or executives review the grievance and the actions implemented at the first and second tiers. • This tier is crucial for resolving high-impact grievances or those requiring significant policy decisions.
4th	External Escalation or Independent Review	• If the grievance persists, there may be provisions for external escalation or an independent review. • External bodies, ombudsperson services, or third-party mediators might be involved to provide impartial assessment. • This tier adds a layer of independence to the grievance resolution process.
5th	Legal Action	• In cases where the grievance remains unresolved through internal and external mechanisms, individuals may have the option to pursue legal action. • Legal action is usually the last resort because organizations generally aim to resolve grievances before reaching this stage.

The steps in GRM are provided in Figure 10 beginning from complaint submission to eventually feedback and improvement follow-up.

Figure 10: The steps in GRM

The Grievance Redress Management (GRM) team is a dedicated unit responsible for overseeing the lifecycle of stakeholder complaints, ensuring that concerns are received, acknowledged, and addressed systematically (Table 12). Actively operating across the framework's various tiers, the team's primary tasks include managing intake channels, documenting and categorizing grievances, and enforcing strict resolution timelines. They serve as impartial mediators who coordinate investigations, facilitate dialogue between disputing parties, and implement corrective actions. Furthermore, the team maintains data transparency by analysing recurring complaint trends, which provides leadership with critical feedback to improve organizational policies and mitigate future operational risks.

Table 12: GRM Team work task

No	Team Member	Task
1	GRM Coordinator	• Oversees the overall operation and management of the GRM. • Ensures compliance with GRM procedures and policies. • Coordinates with other relevant departments and stakeholders. • Provides training and guidance to GRM team members. • Maintains GRM records and documentation.
2	GRM Case Officer	• Receives and registers grievances from complainants. • Conducts initial screenings and assessments of grievances. • Investigates complaints to gather evidence and information. • Facilitates communication and mediation between complainants and relevant parties. • Prepares reports and recommendations for grievance resolutions.
3	Legal Advisor	• Provides legal advice and guidance on GRM procedures and policies. • Reviews and drafts legal documents related to grievances. • Represents the project in legal proceedings related to grievances.
4	Human Resource	• Provides guidance, if necessary and as relevant, regarding human resource policies and procedures.
5	Community Liaison Officer	• Serves as a liaison between the project and affected communities. • Builds and maintains relationships with community leaders and stakeholders. • Conducts community outreach and awareness campaigns about the GRM. • Provides culturally sensitive support to complainants.
6	Subject Matter Experts	• Provides specialized knowledge and expertise on specific areas relevant to grievances (such as compensation, health, safety hazards, soil and water contamination, and community development). • Supports the assessment, investigation, and resolution of complex grievances. • Provides technical advice and recommendations to GRM team members.
7	Translation and Interpretation Services	• Ensures that language barriers do not hinder access to the GRM. • Provides translation and interpretation services for complainants and GRM team members. • Translates GRM documents and materials into relevant languages.
8	External Grievance Redress Provider (Optional)	• Mobilized for cases that require an independent and impartial review. • Conducts independent investigations and provides recommendations for grievance resolution. • Serves as an impartial third party to mediate disputes brought by complainants regarding the project.
9	External Stakeholders	• In some cases, external stakeholders such as NGOs, community organizations, or ombudspersons may serve as partners in the GRM process. They can provide an independent perspective and help ensure that the GRM is accessible and fair to all complainants. • Women's associations—especially for managing GBV.

4. Current Awareness of Livelihood Restoration in SIA Practices in Malaysia

PPSIA outlines SIA procedure and focuses on general impacts (public facilities, congestion, housing, etc.). Where possible a project is encouraged to reduce and minimise these impacts, failing to do so it focuses on compensations. There is less emphasis on livelihood restoration (livelihood restoration, post-displacement programs).

As suggested in MSIA Reading Series 26 (Mohd Shahwahid H.O. and Herlina A. A., 2026), efforts would be needed to encourage this change and readiness to incorporate livelihood consideration in SIA preparation including for urban renewal activities (URA SIA). Among them would include:

- The integration of LARAP into URA SIA by making it a mandatory component.
- Capacity training for consultants & PBT/PLANMalaysia officers are needed. Among new skills to incorporate would be not just doing questionnaires surveying, but preparing entitlement matrix, livelihood plan and grievance mechanism.
- Community awareness have to be raised to make them aware that their rights are not just compensation money, but also the right to an equal or better life after renewal.

For this change, an amendment of PPSIA is needed or a special guidelines for SIA URA incorporated into PPSIA. This is so that SIA for urban renewal has higher standards than SIA for regular projects. To raise awareness on the above suggestion, a comparison of existing PPSIA with LARAP and World Bank ESS5 would enhance the understanding (Table 13). As can be observed, Malaysia's PPSIA lags behind the latter two in aspects of:

i. Focus and scope of the SIA reporting
ii. Rights and entitlement of affected parties
iii. Depth of socio-economic data collection and analysis
iv. Livelihood restoration programmes
v. Post Project Monitoring & Grievances Mechanism
vi. Basis of law on legally binding guideline requiring urban renewal project to conduct SIA

Table 13: A Comparison of PPSIA, LARAP and World Bank ESS5

Aspect	PPSIA (Malaysia)	LARAP (Indonesia)	World Bank ESS5
Focus & Scope	Screening, scoping, Impact projection, mitigation (physical)	Comprehensive plan (census, livelihood, grievance, monitoring & evaluation M&E)	Outcome-based: 'No worse off, preferably better off'
Rights & Entitlement	Only legitimate ownership acknowledged	Identification of all potential affected parties (owner, renter, informal)	Mandatory to engage all potential affected parties (owner, renter, informal)

Baseline & Data	General socio-economic baseline survey	Mandatory census & baseline survey	Survey is basis for measuring livelihood outcome
Livelihood Restoration	No livelihood programme	Income restoration, training and business support	Mandatory livelihood restoration outcome
Monitoring & Grievance	No post project monitoring	Formal monitoring & grievance	Clear mandatory monitoring & evaluation, grievance redress mechanisms
Basis of Law	Non-legally binding guideline requiring project to conduct SIA	Mandatory for project to conduct SIA financed by WB/IFC	Conditional project approval and financing

Given the above state of affairs, there is a need for a Land Acquisition and Resettlement Action Plan in Malaysia. Table 14 provides an analysis of the strengths and challenges of such an action plan in terms of:

i. Social fairness on which affected parties to consider
ii. Standard to adopt – Malaysian Land Acquisition Act or that used by World Bank
iii. Outcome to focus – how to ensure that affected residents are not only worse off but better off
iv. How to ensure conflict reduction
v. The conduct of post project monitoring
vi. Political pressure and risk of further project delays

Table 14: Pro and Contra of a Land Acquisition and Resettlement Action Plan in Malaysia:

Aspect	Strength / Pro	Challenges / Contra
Sosial Fairness	Protect all affected groups including renters & labour	Malaysia focus on land owner – difficult to acknowledge informal group
Balanced Standard	Used by World Bank / IFC → raise project credibility	Need to adapt to Land Acquisition Act & PPSIA
Focus Outcome	Ensure resident 'no worse off, better off'	Need comprehensive baseline survey – limited capacity
Conflict Reduction	Consultation & grievance redress reduce opposition	Long process & high cost → developer reluctance
Monitoring	Conduct monitoring & evaluation until recovery	Require long term institution & financial resources
Political Risk	Reduces political pressure & marginalization feeling	Certain Parties consider LARAP burdensome & delaying project

5. Urban Renewal Activities (URA) Mitigation and Implementation Methodology Improvements

As suggested in MSIA Reading Series 29 (Mohd Shahwahid H.O. and Herlina A. A., 2026),, an amendment of PPSIA or a special guidelines for SIA URA incorporated into PPSIA would require a higher standard than SIA for regular projects. Hence, Figure 11 provides for further improvement upon the PPSIA's SIA preparation and implementation processes.

It is suggested that apart from the regular SIA preparation for development project, a urban renewal activity would require the extra efforts during the

i. Screening and Scoping Process that included:
- Confirming threshold Levels.
- Creating a 100% Socio-Economic Census for LARAP.
- Obtain complete and valid information about ownership status.
- The affected parties are not only the landlord / building but all interested parties.

ii Mitigation
- Mitigation measure can be made mandatory for urban renewal activities (URA) project that include the preparation of a Land Acquisition and Resettlement Action Plan (LARAP)

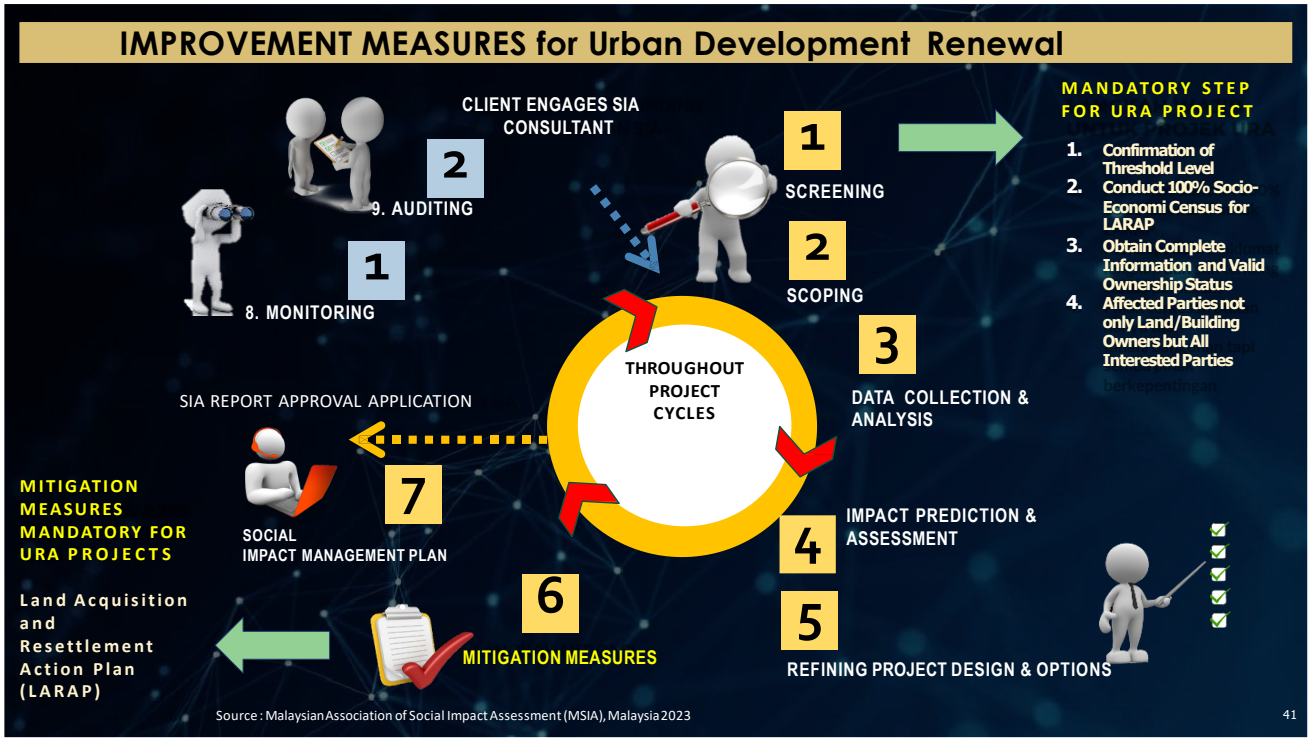


Figure 11: Improvement Measures for Urban Renewal Activities (URA)

As suggested in MSIA Reading Series 26 (Mohd Shahwahid H.O. and Herlina A. A., 2026), that if livelihood restoration is to happen in Malaysia, it may not voluntarily occur or depend on the initiative of developers. Instead it may have to occur through:

i. Legal Mandatory / URA Rules that requires a livelihood plan (even a simple one).

ii. Government support fund / URA special fund that the government covers part of the livelihood costs (e.g. allowances, rehabilitation programmes).
iii. Non-Governmental Organisation (NGO) / Corporate Social Responsibility (CSR) collaboration to provide community support and worker retraining.
iv. “Cross-subsidy” model whereby part of the project profits are channeled to the livelihood fund.

In general, the government must make livelihood restoration part of the legal requirements, not expect developers to implement it voluntarily.

Developers are given additional commercial/density plots. It is anticipated that with this density bonus would materialize with additional profits. Part of this additional profit is required to be channeled for:

- Social allowances.
- Low-cost/replacement housing schemes.
- Livelihood programs.

Example: Singapore uses GFA (gross floor area) bonus to obtain social development funds.

a) NGO / CSR / Government Linked Companies (GLC) cooperation

NGOs and GLCs can be strategic partners in livelihood programmes.

Example:

- NGO cooperatives help small traders move to new sites.
- GLCs (e.g. MARA, PUNB) provide micro-credit & business space.

In this way, livelihood costs are not 100% on the developer but are borne jointly through partnerships.

Hence, it can be summarised that livelihood restoration can take place in Malaysia through

i. Establish a URA Special Fund.
ii. Use fiscal incentives to encourage developers.
iii. Make it mandatory through the URA Method.
iv. Use cross-subsidies from project profits.
v. Involve NGOs/GLCs in livelihood restoration.

With this combination, livelihood restoration can be implemented in a structured manner, without affecting the financial viability of the project.

6. Other Complementary Social Impact Management Plans (SIMPs) in Indonesia

Social Impact Management Plans (SIMPs) emanating from SIA and SEA studies,are vital for navigating the complex intersection of large-scale development and rich socio-cultural diversity. As the country accelerates infrastructure, mining, and energy projects, SIMPs serve as a critical framework to safeguard the rights and livelihoods of local and indigenous communities (*Masyarakat Adat*). By systematically identifying potential disruptions—such as land displacement, loss of traditional livelihoods, or

environmental degradation—and outlining concrete mitigation strategies, these plans help developers secure a "social license to operate." Furthermore, adhering to a robust SIMP ensures compliance with Indonesia's evolving regulatory landscape regarding environmental and social impact assessments (*AMDAL*), effectively minimizing costly local disputes, fostering inclusive community development, and ensuring long-term project sustainability.

In Indonesia, other than the SIMPs there are the indigenous peoples plan (IPP), cultural heritage management plan (CHMP), stakeholder engagement plan (SEP), labor management plan (LMP), and community health and safety management plan (CHSMP). Hence, ensuring that all thematic management plans use the overarching risk management framework in the SIMP is important to ensure consistencies and synergies in all social risk mitigation measures. There is a need for synergy among all these thematic management plans

To seamlessly weave these thematic plans into an overarching Social Impact Management Plan (SIMP), would need a deliberate integration strategy. Without formal touchpoints, plans like the IPP or LMP operate in silos, risking contradictory actions or duplicated efforts.

7. Questions and Answers (Q&A) Sessions

The following section summarises the key questions raised during the Hardtalk presentation and the responses provided by the Speaker. The Q&A addressed technical clarifications, comparisons with the Technical SIA Guidelines for Indonesia, improvements of the PPSIA and processes of SIA report documentation and submission.

Question 1: What are the fundamental differences in the legal framework between Indonesia's *Analisis Mengenai Dampak Lingkungan (*AMDAL*)* and Malaysia's SIA practices?

Response: SIA in Malaysia functions as a "planning tool" and is decision-support guide for planners, while Indonesia's AMDAL is a compliance document for regulators. It is a legally binding study under Indonesian law and is a single integrated EIA+SIA+EMP package whereby social, biophysical and economic impacts are studied holistically, and SIA is not a stand-alone study.

Question 2: Please elaborate on what are the key features of the Technical Guidelines developed by the Ministry of Agrarian Affairs of the Republic of Indonesia / *Badan Pertahanan Nasional* (ATR/BPN)?

Response: Indonesia's guidelines are broader than PPSIA and more "*social safeguards oriented"*. It treats SIA as a governance mechanism and strongly emphasises on livelihood restoration, post-displacement recovery vulnerable groups, economic displacement, relocation strategy and post-project monitoring. Under these guidelines, ATR/BPN functions as a key institutional player in social safeguards, land governance, resettlement management, and socially sustainable development planning. On the other hand, PPSIA is more *"planning-oriented"* and strongly connected to land-use planning, planning approval, local authority review process, planning conditions and SIMP requirements.

Question 3: Should mitigation measures recommended in EIA/TIA be included in details in the SIMP of the SIA reports.

Response: Yes. Mitigation measures from the EIA and TIA should be incorporated in the SIMP prioritizing for social impacts having a high significance score. Relevant

mitigation and management measures from the EIA and TIA reports should be elaborated to explain their implementation, monitoring responsibility, and monitoring arrangements in the social context.

Question 4: As for Indonesia's complementary plans, such as IPP, SEP, Cultural and Heritage Management Plan, Health and Safety Management Plan**,** are these plans prepared as stand-alone plans and submitted separately or are they integrated into the overall SIMP?

Response: Yes, these management plans are prepared and submitted separately as stand-alone reports prior to the AMDAL report

Question 5: Are project proponents solely responsible for all mitigation measures, because some measures fall outside their jurisdiction, but are under the mandate of the local authorities?

Response: Project proponents must take the lead on mitigation since they initiate the project and have the budget. But lead doesn't mean do everything alone. For measures outside their jurisdiction like road upgrades and enforcement, the lead role should be coordination. The relevant parties with legal mandate must actually implement. SIMP should have a "shared responsibility. The SIMP matrix, should clearly assigned each mitigation measure to the party with legal mandate, budget and enforcement power, and not just list them under 'project proponent responsibility'.

Question 6: In Malaysia's SIA, vulnerable people like the low-income group, the aged and sick people, single mothers, Orang Asli etc. are reduced to one generic paragraph in most SIA reports. How does this compare with Indonesia?

Response: In Indonesia, especially for World Bank-funded projects, vulnerable group assessment is mandatory stand-alone requiring separate reports such as the Indigenous People Plan (IPP), Resettlement Action Plan (RAP) and Stakeholder Engagement Plan (SEP). All these require stand-alone assessment, disaggregated data, and Free Prior Inform Consent (FPIC).

In closing the Q&A, the Moderator reiterated that Malaysia's SIA process guided by PPSIA has served us well. But compared with Indonesia, our depth on SIA process and reporting rigour still has room for improvement. The bottom line is clear: we need more indepth SIA guidelines and reporting to catch up with Indonesia. Meanwhile, SIA consultants must take the initiative to apply best practice SIA. On MSIA part, the Association must step up its capacity-building efforts through skill training, knowledge sharing and publications so that consultants are ready for the next-generation SIA.

8. Lessons Learnt

The comparative analysis of the Malaysian and Indonesian Social Impact Assessment (SIA) architectures provides several critical insights and transferable benchmarks. The following lessons are vital for evolving SIA practices, particularly within the Malaysian town planning and upcoming urban renewal ecosystems:

i. Shifting from a "Planning System" to a "Lifecycle Safeguards Framework": Malaysia's *PPSIA (2023)* excels at the initial planning approval phase (*Kebenaran Merancang*). However, Indonesia's guidelines demonstrate that acute social risks—such as economic displacement and cultural fragmentation—persist long after planning approval. SIA must evolve from a static, upfront document into a continuous, lifecycle risk governance framework that incorporates post-project monitoring and auditing.

ii. Operationalising Livelihood Restoration Outcomes: The clearest structural gap identified is Indonesia's advanced operationalisation of post-displacement

recovery. While Malaysia acknowledges physical resettlement, it lacks deep mechanisms for long-term welfare. Effective livelihood restoration must transcend simple cash compensation by actively funding and deploying land-based, wage-based, or enterprise-based programmes tailored to the economic profiles of affected persons.

iii Expanding the Definition of Affected Parties: Traditional Malaysian SIA practices lean heavily toward acknowledging legally recognized landowners. Indonesia's framework highlights the absolute necessity of accounting for informal or unregistered stakeholders—such as renters, labor forces, landless individuals, squatter communities, and indigenous groups. Excluding these groups leads to severe socio-economic shocks and legal gridlocks.

iv Granular Vulnerability Mapping as a Diagnostic Tool: Identifying vulnerable groups (e.g., female-headed households, elderly individuals, location-dependent traders) should not be a superficial checklist. As shown by the Indonesian Technical Guidelines, vulnerability must be systematically measured using specific indicators (dependency ratios, asset ownership, human capital fungibility) to predict how easily a household can recover from structural project shocks.

v Institutionalising Hierarchical Conflict Management: Resolving community-project disputes through unstructured, ad-hoc mediation introduces high political risks and lengthy delays. Implementing a formal, Five-Tier Grievance Redress Management (GRM) system—which resolves complaints at the lowest possible administrative level before escalation—ensures transparency, builds institutional integrity, and secures a continuous "social license to operate."

vi Viability of Innovative Funding Models: Forcing private developers to voluntarily bear 100% of livelihood restoration costs is unrealistic and induces structural pushback. Sustainable implementation requires hybrid, multi-stakeholder funding models. Mechanisms such as density bonuses (GFA bonuses), cross-subsidisation models, URA Special Funds, and strategic partnerships with GLCs (e.g., MARA, PUNB) and NGOs can divide financial responsibilities without compromising project feasibility.

9. Conclusions

The institutional comparison between Malaysia and Indonesia highlights a paradox of professional maturity versus operational depth. Malaysia possesses a highly sophisticated, professionalised town planning ecosystem, a structured practitioner training network, and an organised institutional role through the Malaysian Association of Social Impact Assessment (MSIA). Conversely, Indonesia—backed by international donor frameworks (World Bank and KfW Development Bank)—booths significantly more robust, legally-binding social safeguard instruments and lifecycle governance structures.

Malaysia has to maintain its leadership in sustainable development, its current planning-centric model must integrate these holistic social safeguards. This transition is especially urgent for impending Urban Renewal Activities (URA), where complex socio-economic disruption is guaranteed.

To bridge these institutional gaps, the following policy and regulatory interventions are recommended:

i Amend the PPSIA or introduce dedicated URA SIA Guidelines to mandate a 100% socio-economic census and comprehensive asset mapping for high-impact projects.

ii Mandate Land Acquisition and Resettlement Action Plans (LARAP) as a core, legally-binding component of urban regeneration schemes to guarantee that displaced communities are left "no worse off, and preferably better off."
iii Establish formalized, multi-tiered Grievance Redress Mechanisms to systematically manage public complaints and de-escalate project-related conflicts.
iv Integrate thematic management plans (such as Labor, Community Health & Safety, and Cultural Heritage) into a single, cohesive Social Impact Management Plan (SIMP) to eliminate siloed operations and maximize mitigation synergies.
v Ultimately, shifting Malaysia's SIA philosophy from a rigid "regulatory gatekeeper" to an active "social risk governance mechanism" will protect marginalised urban populations, optimize project delivery timelines, and ensure that rapid economic development is tightly paired with long-term social equity.

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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 panelists and editors and do not necessarily reflect that of MSIA.