CHAPTER 1

INTRODUCTION

1.1 Purpose of the EIA Guideline in Malaysia

This Environmental Impact Assessment Guideline (to be referred to as the EIA Guideline) in Malaysia is prepared in accordance with the requirements of Section 34A (2C) of the Environmental Quality Act (EQA), 1974 (Act 127) to provide an understanding of the EIA procedures, preparation, and submission of the EIA Report for review and approval. Compliance with the requirements set out in this Guideline will fulfil the Project Proponent's obligation stated under Section 34A (2C) of the EQA.

The primary purpose of the EIA Guideline is to provide guidance to Project Proponents, Qualified Persons (i.e., DOE-registered EIA consultants), and other EIA-related practitioners in the preparation and submission of EIA Reports in order quality reports can be prepared in a timely manner. The EIA Guideline gives clear explanations of the requirements to be complied with at each stage of the EIA procedure: pre-EIA report submission, during EIA report submission and post-EIA report submission. Strict adherence to the stipulated requirements will produce quality EIA Reports that can be processed and approved by the DOE with confidence and within the stipulated time periods. It also avoids costly implications due to the need for submittal of additional information before final decision on the EIA Reports can be made.

This Guideline embeds a new requirement on environmental mainstreaming to be embraced by the Project Proponent as a strategic tool for promoting, instilling, and achieving self-regulation culture in his EIA project. In this Guideline, environmental mainstreaming refers to the integration of environmental concerns, aspects, and considerations in all business processes, at all stages of decision making, at all levels of organizational hierarchy, and at all phases of the implementation of the project. Through environmental mainstreaming imposed in this Guideline, the Project Proponent is shouldered with greater environmental responsibility and

accountability for ensuring environmental friendly options are chosen in the course of implementing his project.

This EIA Guideline does not only serve as the primary guidance and resource document for Project Proponents and Qualified Persons (EIA Consultants), but it also serves as a useful reference for project approval authorities and the relevant stakeholders.

1.2 Applicability of the EIA Guideline

This EIA Guideline shall only be used within the framework of the Environmental Quality Act 1974 and its subsidiary regulations. It is not be applicable for EIA legislations enacted under the environmental laws of Sabah and Sarawak. However, for prescribed activities in Sabah and Sarawak that are subject to the EQA 1974, this Guideline shall prevail.

1.3 EIA in Malaysia

Environmental Impact Assessment (EIA) can be broadly defined as a study to identify, predict, evaluate, and communicate information about the impacts (both beneficial and adverse) on the environment of a proposed development activity and to detail out the mitigating measures prior to project approval and implementation. Although the emphasis is often on the biophysical environment, in recent years, social and economic environment have also been included in EIA studies. Through the EIA process, the most environmentally suitable options from various perspectives such as site, manufacturing technology, resources, and mitigation measures can be identified at an early stage. As a consequence, not only positive impacts can be maximized, adverse and damaging impacts, and costly remedial measures can be prevented or reduced.

The EIA procedure in Malaysia has been developed primarily as an aid to the environmental planning of new development projects or to the expansion of existing development projects. It can be compared with similar techniques which have been devised for the technical and economic planning of projects such as financial feasibility studies. The procedure has been tailored specifically to the assessment of development project proposals.

In Malaysia, EIA is a statutory requirement for activities which have been prescribed under Section 34A of the Environmental Quality Act (EQA) 1974. Section 34A (2C) of the Act stipulates that any person intending to carry out any of the prescribed activities is required to appoint a Qualified Person to conduct an EIA and submit a report to the Director General of Environment. A Qualified Person is an individual who has met the DOE's technical and experience criteria, hence he is eligible to be registered as an EIA Consultant. In this Guideline, the terms Qualified Person and EIA Consultant are used interchangeably. A general overview of the EIA procedure in Malaysia is illustrated in Figure 1.1, while the details are discussed in Chapter 4 through Chapter 6.

In the EIA Report, the Project Proponent makes a legal pledge of his commitment to implement pollution prevention and mitigation measures (P2M2) to reduce the adverse impacts to the environment. EIA Report serves as a decision making tool for the project approval authority to decide whether a proposed project can be approved for implementation.

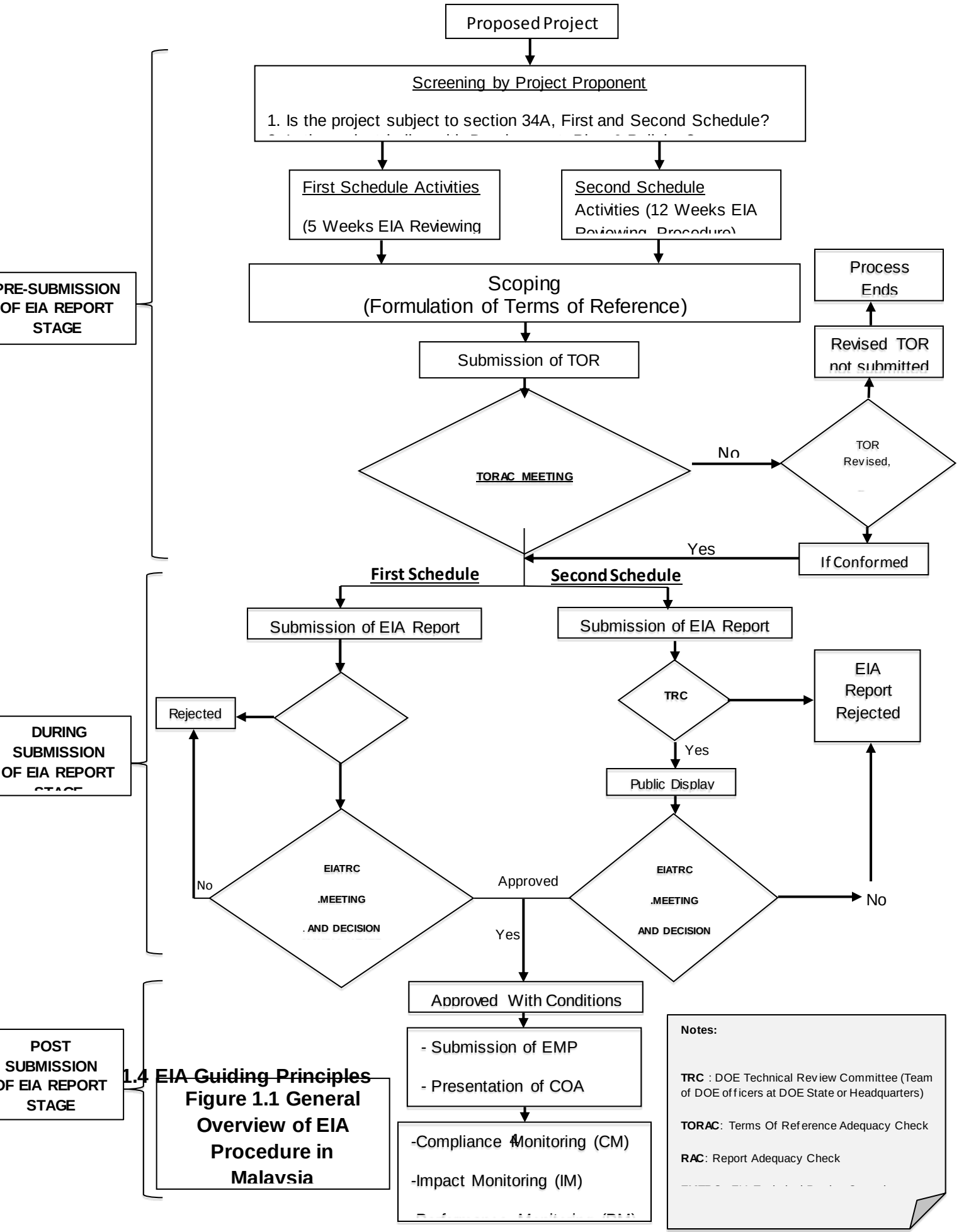

Figure 1.1 General Overview of EIA Procedure in Malaysia

1.4 EIA Guiding Principles

The EIA process shall be guided by the following principles:

(a) **Development Befitting to Nature**

Project Proponent should have a deep understanding of the existing environmental conditions of the site of his development project, and should rationalize, and customize his proposed development project to harmonize with the natural environment. The natural environment should not be overly modified to suit the proposed development.

(b) **Pro-active**

The EIA process should start as early as possible within the project planning cycle and decision making for project approval so that environmental impacts of a project are considered right from the beginning to address all potential environmental impacts that might result from the proposed development.

(c) **Transparency**

The EIA study should be conducted in a transparent manner involving inputs from all relevant stakeholders. The EIA Report produced should be clear, concise, informative, transparent, balanced, easily accessible, and understood by the stakeholders.

(d) **Credibility**

The EIA study should be carried out by professionals and performed with integrity, rigor, fairness, and objectivity. The study which invariably involves measurement and collection of data and its subsequent analysis and interpretation should apply established and appropriate techniques to address key areas of environmental concerns. The study should be comprehensive and comply with statutory requirements to guarantee the quality of the EIA Report.

(e) **Cost-effectiveness**

The proposed environmental management plan including pollution prevention and mitigating measures, follow up surveillance and monitoring, and compliance audit should be cost-effective and be based on best available technologies or best industry practices. The environmental cost should be accounted for in the total project cost which should be reflected in the contract documents signed by the Project Proponent and his contractors and suppliers.

(f) **Practical**

The information and outputs provided by the environmental assessment process, documented in the EIA Report should be in the form which is readily usable for decision making and planning. The proposed mitigation measures should be practically implemented.

(g) **Social Accountability**

The Project Proponent and decision makers are accountable to the stakeholders for decisions and actions. The Project Proponent is also legally responsible for regulatory compliance of his project at all times. The Project proponent should allocate sufficient funds and provide dedicated staff on a full time basis to be responsible for all environmental management matters related to the project.

(h) **Quality Conscious**

The findings from the EIA study provide pertinent information to the authorities for making decision on the development project. Quality decision is contingent upon quality EIA Report. Quality control at every stage of the EIA study and report preparation is essential to ensure decisions on the EIA Report and project planning and implementation can be made in a timely manner. To accomplish the above, the Project

Proponent and the EIA Consultant should thoroughly review the EIA Report and ensure it is a stand-alone document, comprehensive, and its contents coherent. The practice of submitting additional information through separate documents in supporting the EIA Report should not be practiced.

(i) **Self-Regulatory**

Self-regulation ensures environmental commitment and regulatory compliance is achieved on a sustained basis. The practice of self-regulation by Project Proponent is a driver for cultivating a positive work culture in the day-to-day management of the project paving the way for excellence in environmental regulatory compliance. The environmental commitment should be displayed and translated into action at all levels of the project organization and all phases of project development.

(j) **Ethical**

All personnel involved in the EIA study should uphold their professional ethics to fulfil their professional obligations with extreme sense of responsibility, professionalism and integrity. The ethical principles should be applied not only in the EIA study phase but also in the project implementation and operational phases.

(k) **Participative**

EIA is a multi-disciplinary study on environmental components such as water quality, air quality, waste management, environmental sensitive area and natural resources. It involves participation of government agencies, non-governmental organizations, academicians, experts, and environmental practitioners including qualified and competent persons, industries and public at large. Hence, the EIA process should provide adequate opportunities to all stakeholders including the affected public to express their concerns and provide inputs for decision making process by

the relevant approving authority.

(l) **Sustainability**

The proposed project should be thoroughly studied to ensure it is environmentally sound, sustainable, and beneficial to the society.

1.5 Integration of EIA Into Project Planning Cycle

The benefits of EIA may only be achieved if the environmental dimensions are integrated in a timely manner within the project planning and development cycle. As EIA is conducted in response to a project proposal, the assessment procedure is project centred, and moulded around the normal project planning process.

1.5.1 EIA in Project Planning and Decision-Making

Effective project planning and decision-making requires proper understanding of policies and legislations relevant to environmental protection and management. A decision as to whether a project may be allowed to proceed or not often rests with the project meeting basic requirements of international conventions, national policies, local laws, regulations and procedures. These may be in the form of statutory or non-statutory requirements from one or more national agencies or authorities, which have either direct or indirect interest in the project. In addition, some international funding institutions may require certain conditions to be fulfilled as a prerequisite for providing financing for projects.

EIA as a project planning and decision-making tool intends to accomplish the following:

(i) To provide the Project Proponent with appropriate information to ensure project design and operation meets environmental sustainability objectives;

(ii) To provide the relevant approving authority with the appropriate information and assurance for it to make a decision on whether or not to approve the project; and

(iii) To provide the public and other stakeholders the assurance that the benefits to the society from the project are greater than the environmental costs to society.

EIA is carried out not for the sole purpose of securing authority approval for the project but to be applied to improve project design and to meet sustainability objectives of quality planning, social acceptability and investment security. The EIA Report provides the information needed for decision-making by the authority.

Integrated project planning requires the Project Proponent to assess and evaluate his planning decisions taking into account the technical, economic, and environmental factors. It implies that environmental assessment should be a continuous process throughout the course of project planning.

Considerations of the environmental issues and the use of various environmental planning tools early in the project cycle allow actions to be taken at the early stage when site selection and project design are being undertaken and not at the stage when the project is ready for construction or operation.

The benefits of integrated project planning of which EIA is one of the tools available for that purpose to the Project Proponent include:

(a) **Investment Security**

The investor whose project has been planned on sound environmental principles right from the start might be safeguarded against environmental costs once the project has been implemented. EIA being a preventative-planning tool helps to avoid costly remedial actions by taking proactive measures also helps to protect the investment.

(b) **Social Acceptability**

The question of social acceptability of a project will become increasingly important to Project Proponents in Malaysia as the demand for a better quality of life is manifested in a growing public concern for environmental quality. A project which has gone through an EIA study and the EIA Report has been approved is more likely to be acceptable than a project which has not undergone through the process.

(c) **Quality Planning**

An important and integral part of EIA is the review of project options from the economic, environmental, and social standpoints. A deliberate assessment of project options during project planning encourages the project proponent to search for the “state of the art”, “best”, and “win-wins” from the perspective of location, manufacturing technology (which includes raw materials, energy and water sources and uses, design capacity, etc.), manpower requirements, construction methods, pollution prevention and mitigation measures, and environmental monitoring. The overall result is to enhance the quality of projects, minimize adverse impacts, and maximize benefits to society.