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MODULE 4

Governance & Accountability

Environmental Social Governance in Urban Planning (ESG in UP)

Kulliyyah of Architecture & Environmental Design

Learning Outcome



MLO1: Demonstrate a comprehensive understanding of ESG principles and their direct application to sustainable urban planning practices.



MLO2: Develop practical strategies to integrate ESG into urban planning processes, specifically targeting:

- Reduction of **carbon emissions** through compact, transit-oriented development
- Enhancement of **urban biodiversity** via green corridors and nature-based solutions
- Improvement of **resource efficiency** through circular economy approaches



MLO3: Prioritise urban development strategies that support business viability, attract green investment, and align with national development agendas like Malaysia Madani.



MODULE CONTENT



SUBSTANCES OF THE MODULE



MODULE 1

Introduction:
ESG in Urban Planning



MODULE 2

Environmental
Dimensions



MODULE 3

Social
Dimensions



MODULE 4

Governance
Frameworks



CONTENT OF MODULE 4

Module 4: Governance & Accountability in Urban Planning



4.1

Governance structures in urban planning

Understanding roles, responsibilities, and institutional frameworks for effective urban governance.



4.2

Ethical decision-making and transparency

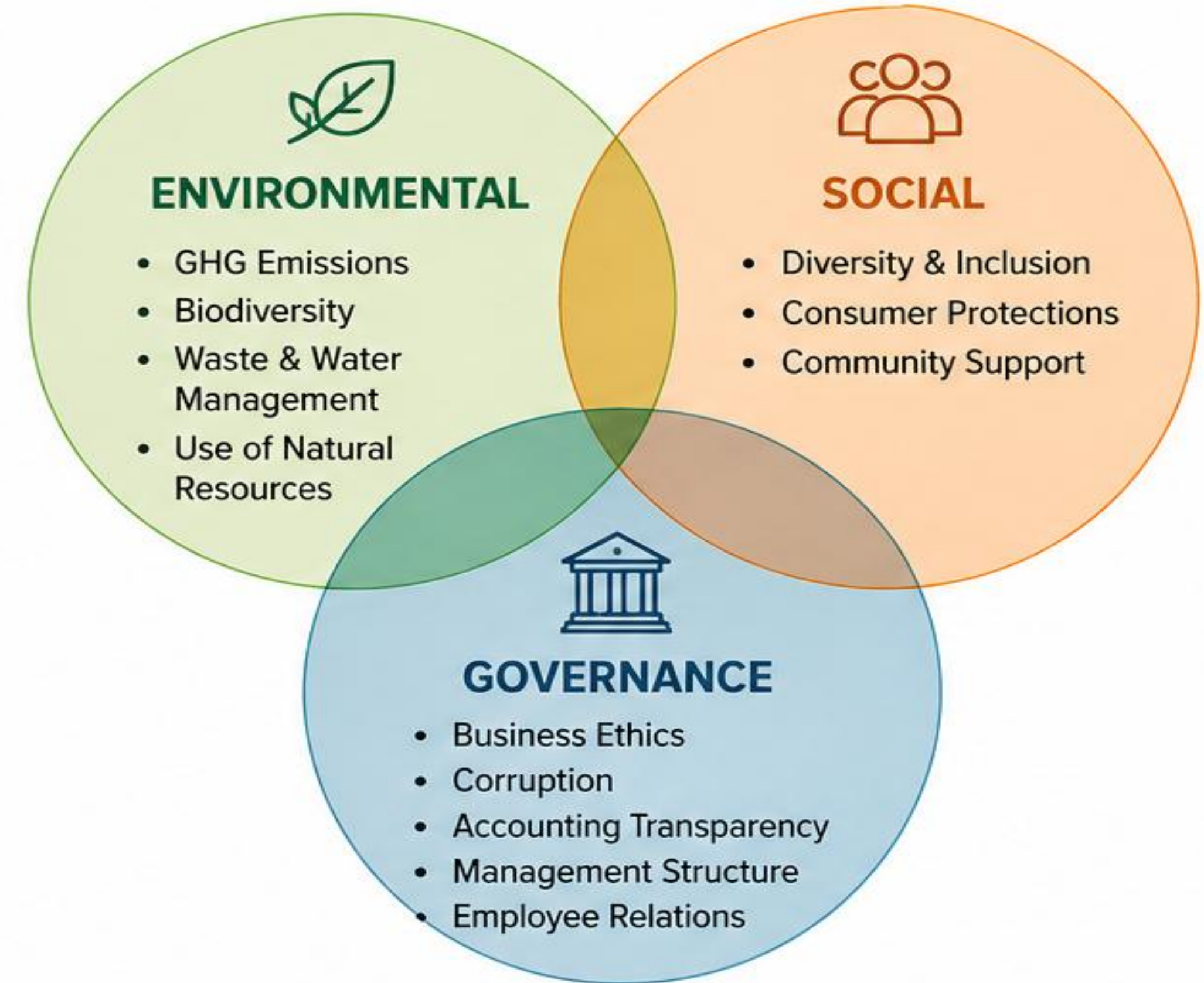
Promoting integrity, fairness, and openness in planning processes and public decisions.



4.3

Regulatory compliance and standards

Ensuring adherence to laws, policies, and standards for accountable and sustainable urban development.



INTEGRITY



TRANSPARENCY



ACCOUNTABILITY



SUSTAINABILITY

II. Defining ESG Governance in Urban Planning

II. Defining ESG Governance in Urban Planning

- **The Backbone of Integrity:** Governance is the "backbone" of organisational integrity, covering the rules, policies, and processes that ensure ethical leadership and risk management.
- **Corporate vs. Urban Planning ESG:**
Corporate ESG focuses on internal control (board diversity, shareholder rights).
Urban Planning ESG focuses on **territorial management** (zoning, land-use policy, and inter-agency coordination).
- **Core Objectives:** Shifting governance from a corporate disclosure tool to a paradigm for urban development that ensures **social equity** and long-term city resilience

Integrating Environmental, Social and Governance practices
to drive **sustainable** and **responsible** business.



Biodiversity and ecosystems



Supply chain management



Bribery and corruption



ESG Assessment in Corporate Sector

S&P Global (Standard & Poor)

ESG



Environmental, social and governance criteria are a set of non-financial performance indicators that include sustainable, ethical and corporate governance issues. Some of these issues might include a company's efforts to improve its carbon footprint or the health and safety of its employees.

Simple way to remember

- Sustainability = Vision
- ESG = Measurement & risk management
- CSR = Action &

How ESG criteria are evaluated?

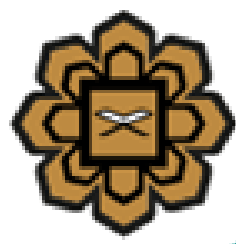
The company's analysts then follow standardized methodology to provide an ESG investing rating score from AAA (highest) to EEE (lowest).

Overall, while there is no set standard, most existing solutions tend to follow a similar pattern: data collection, analysis, conclusions, recommendations, scoring. In practice.

Key Challenges

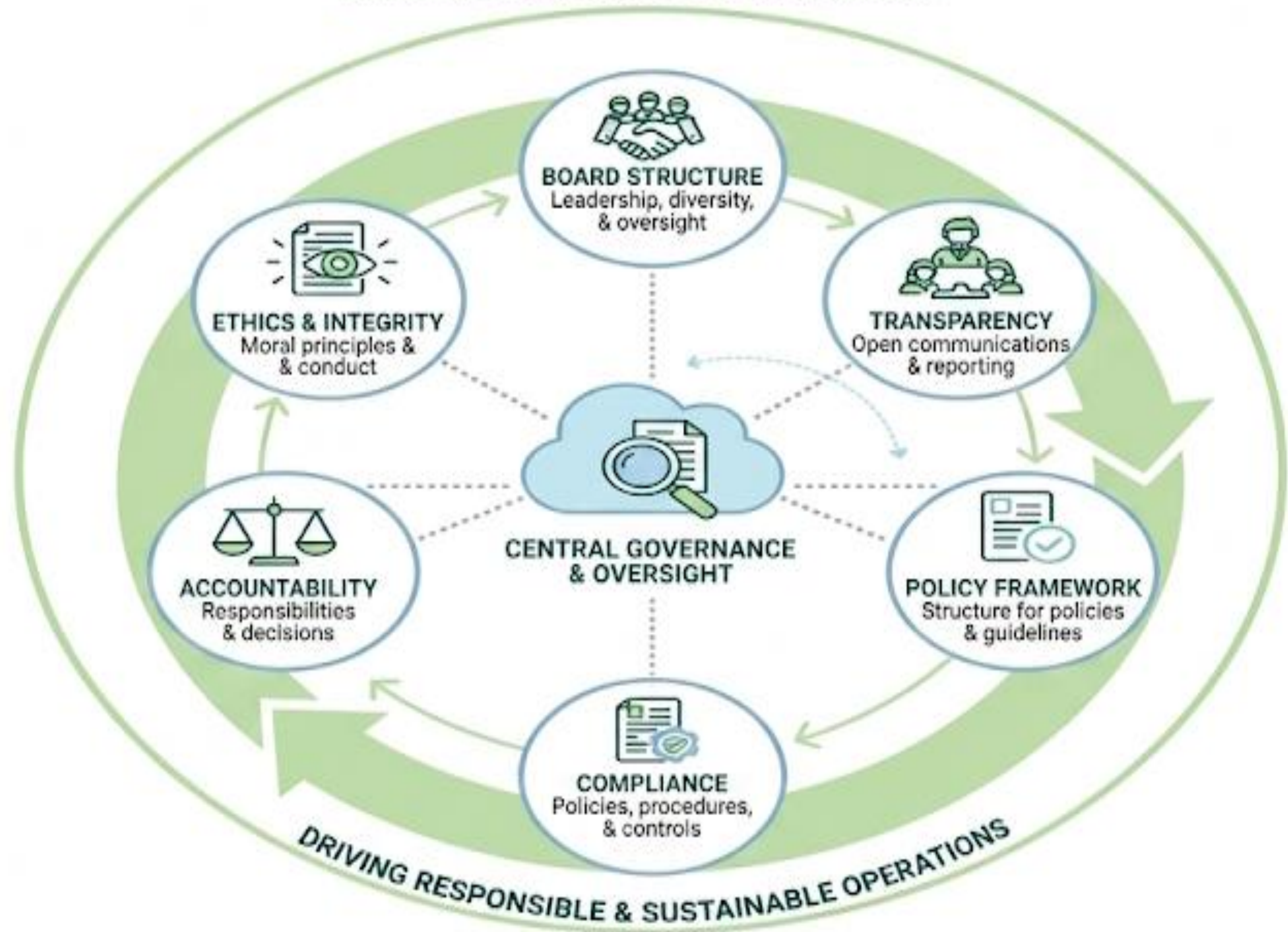
A key challenge that is difficult to avoid, no matter what system is put in place, remains lack of disclosure or transparency.

Not all companies will be willing or able to provide the same levels of transparency regarding their policies and practices. Considering ESG ranking is either done based on publicly available information or based on voluntarily shared information from the company itself, there will always be potential for mistakes.



DEFINING GOVERNANCE ESG

ETHICS, COMPLIANCE & LEADERSHIP



CORE GOVERNANCE CRITERIA

Strong governance drives integrity, accountability, and sustainable value creation.



Board Composition

Diversity, independence, and compensation tied to sustainable performance.



Ethics and Compliance

Anti-corruption measures, whistleblower protections, and conduct codes.



Risk Management and Reporting

Audits, shareholder rights, and clear disclosures on issues like data privacy.





REGULATIONS
RULES



STANDARDS

COMPLIANCE

GOVERNANCE
SECURITY LAWS
ETHICS

CONTRACT
LAWS

for planners aiming to build accountable, sustainable urban futures.

Defining Governance ESG


Governance in ESG is the backbone of organisational integrity, covering the structures, policies, and processes that ensure ethical leadership, accountability, and risk management.


 It focuses on how decisions are made, reported, and overseen to protect stakeholders and promote long-term value.


 Think of it as the rules of the game: board independence, ethical codes, and transparent disclosures prevent corruption and align actions with broader goals.

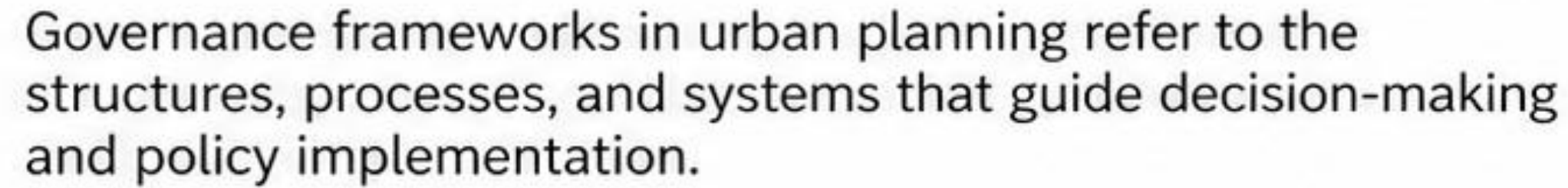
In essence, strong governance builds **trust**, turning **plans into resilient realities**.



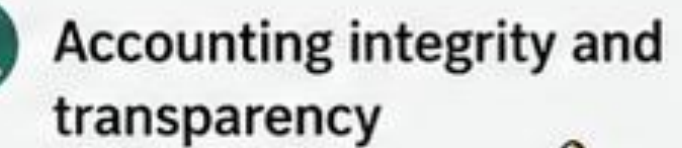
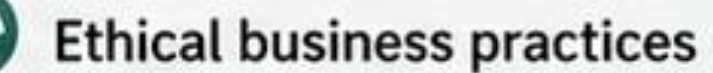
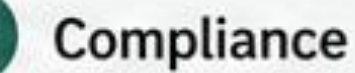
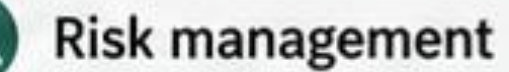
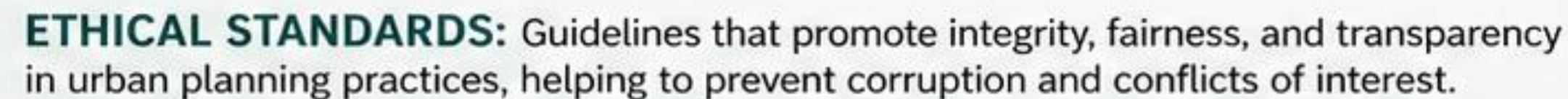
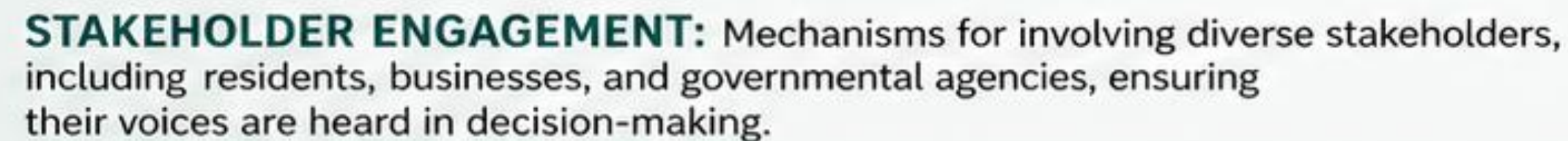
COMPARING CORPORATE ESG vs. URBAN PLANNING ESG

CORPORATE ESG (Governance & Management)		URBAN PLANNING ESG (Territorial Governance)	
 Focuses on Internal Control • Board diversity, executive pay, and shareholder rights		 Focuses on Territorial Management • Zoning laws, land-use policy, inter-agency coordination	
 Accountable to Shareholders and investors through financial transparency		 Accountable to Citizens and residents through democratic participation and public hearings	
 Driven by Market Standards (e.g., GRI, SASB) and corporate law		 Driven by Legislative Mandates , master plans, and building codes	
 Risk mitigation and maintaining Organizational Integrity		 Ensuring Social Equity , inclusive growth, and long-term city resilience	

KEY DISTINCTION: Corporate Governance manages an Entity; Urban Governance manages a Society.

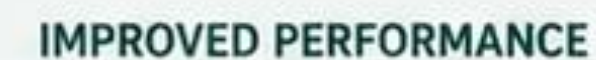


REGULATORY FRAMEWORKS: Laws and regulations that dictate planning processes, land use, environmental protection, and community engagement.



BETTER DECISIONS

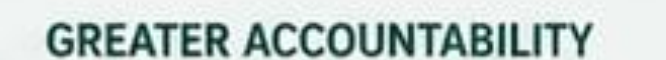
Informed and inclusive
decision-making leads to
sustainable urban outcomes.



Performance metrics help track progress towards ESG goals and optimize resources.



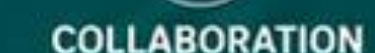
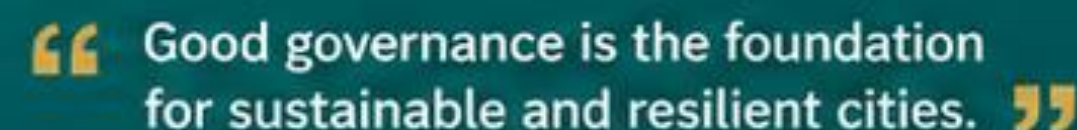
Interagency and stakeholder collaboration ensures integrated and effective urban development.



Transparent processes and clear reporting strengthen responsibility and governance.



Good governance builds resilient, livable and future-ready cities.



ESG GOVERNANCE

Building Sustainable, Inclusive & Resilient Cities



ENVIRONMENT
Protect our planet



SOCIAL
Empower people



GOVERNANCE
Ensure integrity



1

KEY CONCEPT OF ESG GOVERNANCE



ESG Governance integrates environmental, social, and governance factors into decision-making and oversight to create long-term value, manage risks, and contribute to sustainable development.

2

DEFINITION AND EXPLANATION



- Environment:** Reducing pollution, conserving resources, and addressing climate change
- Social:** Promoting well-being, equity, diversity, and community engagement
- Governance:** Ensuring transparency, accountability, ethics, and effective leadership

3

APPLICATION IN URBAN PLANNING



Integrate green infrastructure and climate resilience



Promote inclusive, healthy, and liveable communities



Enable sustainable mobility and resource efficiency



Ensure transparent planning, stakeholder engagement, and responsible management



4

MALAYSIA CONTEXT EXAMPLE



National policies such as Low Carbon Nation Aspiration 2040 and Malaysia Madani framework emphasize sustainability and well-being.



Cities like Putrajaya and Iskandar Malaysia integrate ESG principles in green buildings, smart mobility, and community development.



ESG enhances Malaysia's global competitiveness and attractiveness for green investment.

5

POLICY AND IMPLEMENTATION INSIGHT



Establish clear ESG policies, standards, and guidelines



Strengthen institutional capacity and cross-sector collaboration



Use data, indicators, and reporting to track ESG performance



Engage stakeholders and communities in planning and decision-making



Review, adapt, and improve continuously for long-term impact



THE IMPACT OF STRONG ESG GOVERNANCE



Environmental Sustainability



Social Equity & Well-being



Good Governance & Integrity



Economic Resilience



Liveable & Future-Ready Cities

ESG Governance is not just a responsibility—it is a strategic approach to build sustainable, inclusive, and resilient cities for current and future generations.



Integrating Environment, Social, and Governance for Better Planning, Better Decisions, Better Cities.



INTEGRATE



MEASURE



IMPROVE



SUSTAIN

Governance Dimension of ESG in Urban Planning

In this module, we turn to the **governance dimension of ESG in urban planning** – the “how” and “by whom” of decision making in cities.



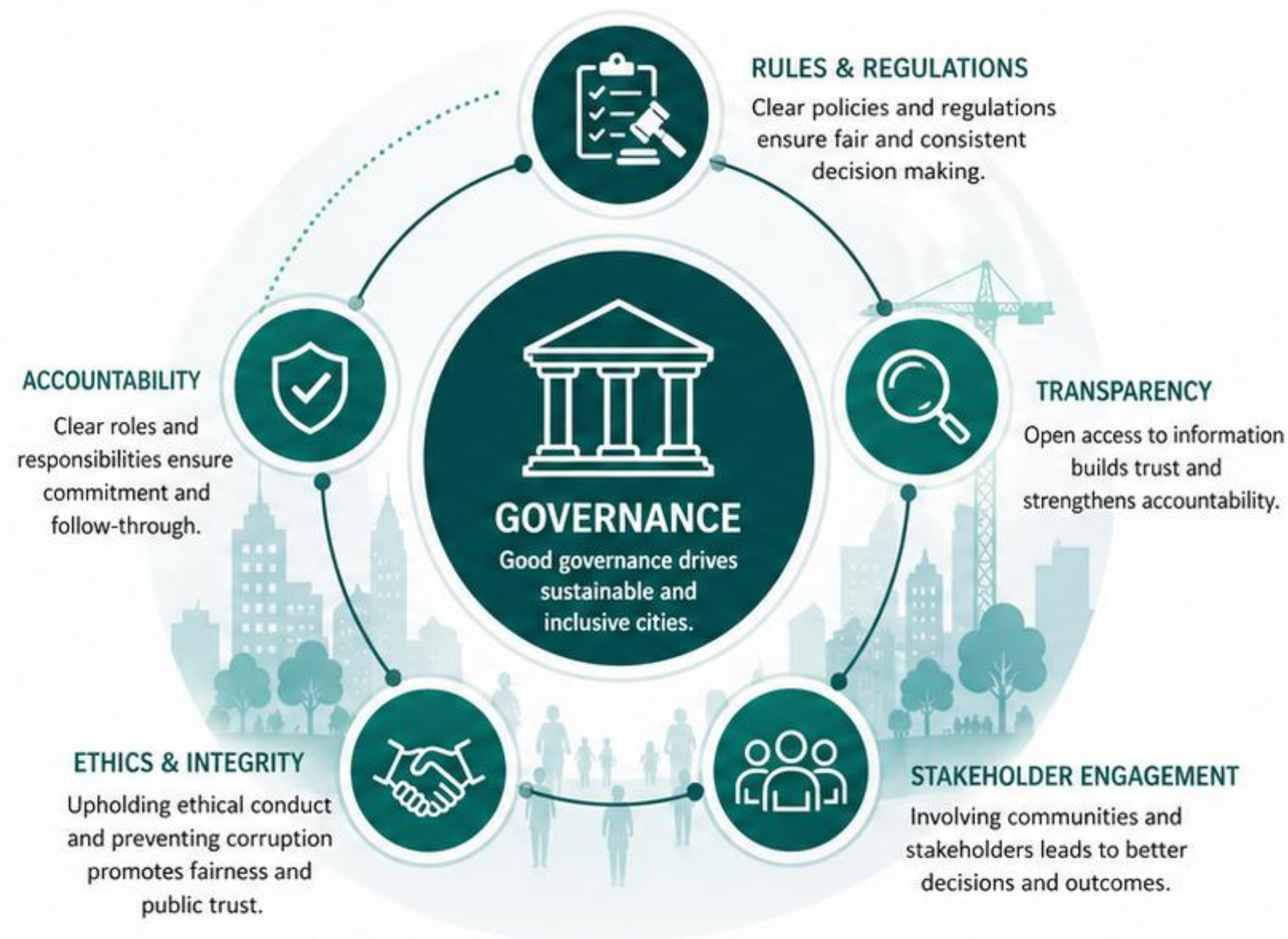
- **Governance in ESG** refers to how institutions are structured, how decisions are made, and how accountability, transparency, and ethical conduct are ensured.



- In urban planning, governance shapes everything from **land use approvals** and **master plan revisions** to infrastructure contracts and **community participation**.



- By strengthening governance, cities can embed ESG principles into everyday planning practice and ensure that **environmental** and **social goals** are not just written on paper but actually implemented.





ESG in Built Environment

Five governance themes for a sustainable and resilient future.



1

INSTITUTIONAL GOVERNANCE FOR SUSTAINABLE DEVELOPMENT



Institutional governance is central to bringing together environmental, social, and economic goals in the built environment. It ensures that sustainability is not treated as an add-on but is built into policies, investments, and everyday practices.

2

PARTICIPATORY AND HYBRID ENVIRONMENTAL GOVERNANCE



Modern environmental governance increasingly depends on collaboration across multiple actors. Traditional top-down models alone cannot address the complexity of urban development and environmental management. Instead, participatory and hybrid approaches bring together governments, private organisations, civil society, and local communities.

3

ADAPTIVE GOVERNANCE FOR CLIMATE RESILIENCE



Governance in the built environment must be flexible and responsive to growing climate risks and uncertainties. Adaptive governance facilitates ongoing learning, iterative decision making, and the capacity to adjust strategies in response to changing conditions.

4

KNOWLEDGE CO-PRODUCTION AND INSTITUTIONAL LEARNING



Strong environmental and urban governance relies on the ability to draw from multiple forms of knowledge. Co-production between experts, policymakers, professionals, and local communities helps ensure that solutions are relevant, legitimate, and practical.

GOOD GOVERNANCE FOR SUSTAINABLE BUILT ENVIRONMENTS

Integrated • Inclusive • Adaptive • Knowledge-driven • Holistic

5

INTEGRATED FRAMEWORKS FOR URBAN SUSTAINABILITY



Achieving urban sustainability requires frameworks that address environmental protection, social equity, and economic viability in a unified manner. These frameworks must be holistic, linking industries such as housing, transport, water, and energy while also responding to spatial and community needs.



SOCIAL EQUITY



ENVIRONMENTAL PROTECTION



ECONOMIC VIABILITY



SPATIAL & COMMUNITY NEEDS



1. URBAN ASSESSMENT TOOLS

The **ESG Dashboard** supports planners and investors in assessing project compliance across all stages, from planning to operations.



2. GOVERNANCE INDICATORS

In an urban context, governance metrics emphasize transparency, public participation, and stakeholder coordination. (Case Study 9)



3. INTEGRATED PLATFORMS

New systems use GIS-BIM-IoT technology to visualize ESG performance at a city scale, tracking indicators like material recycling and pollution levels for more proactive governance. (Case Study 8)



4. SMART SUSTAINABLE CITIES

ESG methodologies help city managers optimize services such as waste disposal, transportation management, and electronic citizen services.

III. Governance Structures and Functions



LEADING THE WAY
KHALĪFAH • AMĀNAH • IQRA' • RAḤMATAN LIL-ĀLAMĪN



III. Governance Structures and Functions

- **Multi-Level Governance:** Urban planning operates across federal, provincial/state, and municipal levels.
- **Core Functions of Local Authorities (LAs):**
 - Urban Planning:** Regulation of land use and master plans.
 - Basic Services:** Providing water, waste management, and transport, transitioning toward a **circular economy**.
 - Development Planning:** Aligning local plans with national goals and ensuring **inclusive growth**.



- Urban planning operates within **a multi-level governance structure** that includes national ministries, state or provincial authorities, municipal governments, and various agencies such as planning departments, housing boards, and utility companies.

LEVELS OF GOVERNMENT		
 FEDERAL Government of Canada	 PROVINCIAL Government of Ontario	 MUNICIPAL City of Toronto
POWERS DEFINED BY Constitution of Canada	POWERS DEFINED BY Constitution Act, 1867	POWERS DEFINED BY City of Toronto Act, 2006
 National defence and Canadian Armed Forces  Postal service  Banking  Employment  Immigration and citizenship  Census  Foreign affairs and international trade  Agriculture and more	 Health  Education  Driver and vehicle licensing  Energy  Human rights  Natural resources  Environment  Social services and more	 Water treatment and sewers  Parks and recreation centres  Libraries  Garbage collection  Public transit  Land use planning  Police and fire services  Paramedics  Homeless shelters  Childcare and more



Involves establishing regulatory frameworks, ensuring stakeholder involvement, and **promoting transparency and accountability.**

HOW?



Developing performance metrics to assess ESG goals and fostering **interagency collaboration** to integrate ESG principles into urban development processes effectively.



UNDERSTANDING THE IMPORTANCE OF TRANSPARENCY AND ACCOUNTABILITY



MEETING STAKEHOLDER EXPECTATIONS

Engaging communities and stakeholders in decision-making processes.



FOSTERING INNOVATION AND LEARNING

Encouraging new ideas, knowledge sharing, and continuous improvement.



ENHANCING TRUST

Building confidence through open communication and honest practices.



STRENGTHENING CREDIBILITY

Ensuring decisions are fair, consistent and aligned with regulations.



PROMOTING ETHICAL BEHAVIOR

Upholding integrity, fairness and responsibility in all planning activities.

KEY BENEFITS



BETTER DECISIONS

Informed and inclusive decision-making leads to sustainable urban outcomes.



IMPROVED PERFORMANCE

Performance metrics help track progress towards ESG goals and optimize resources.



STRONGER COLLABORATION

Interagency and stakeholder collaboration ensures integrated and effective urban development.



GREATER ACCOUNTABILITY

Transparent processes and clear reporting strengthen responsibility and governance.



SUSTAINABLE CITIES

Good governance builds resilient, livable and future-ready cities.

“ Good governance is the foundation for sustainable and resilient cities. ”



TRANSPARENCY



ACCOUNTABILITY



COLLABORATION



INTEGRITY



- At the city level, local authority typically have **three core functions**:



i. Urban planning and land use regulation.



ii. Provision of basic services such as water, waste, transport, and housing.



iii. Economic and social development planning.



Effective
Governance



Quality
Services



Sustainable
Communities

ii. PROVISION OF BASIC SERVICES (ENVIRONMENTAL AND SOCIAL FOCUS)

Local authorities are fundamental service providers responsible for sectors with high emissions (water, waste, transport), making their ESG performance critical.



ENVIRONMENTAL MANAGEMENT

Services such as waste management (solid waste/sewage disposal) must move towards a circular economy approach, focusing on waste-to-energy and reduction of environmental footprints.



SOCIAL EQUITY AND ACCESS

Provision of housing and public transportation is essential for ensuring that vulnerable communities are not marginalized by urban growth.



RESILIENCE PLANNING

In the face of climate change, ESG focuses on water-sensitive designs, flood management, and public health, often through nature-based solutions (e.g., mangroves, wetlands).





LOCAL AUTHORITIES

Empowering Communities. Managing Places. Improving Lives.



1

KEY CONCEPT OF LOCAL AUTHORITIES



Local authorities are subnational government bodies responsible for managing local affairs, providing public services, and promoting the social, economic, and environmental well-being of their communities.

2

DEFINITION AND EXPLANATION

Local authorities are legally established bodies with defined powers and responsibilities to:

-  Govern local areas and represent community interests
-  Deliver essential services and infrastructure
-  Plan and manage development and land use
-  Safeguard the environment and public health
-  Engage communities and promote local participation
-  Support local economic and social development



3

APPLICATION IN URBAN PLANNING



- Prepare and implement local plans and policies
- Manage zoning, land use, and development control
- Provide and maintain local infrastructure and amenities
- Enhance mobility, public spaces, and community facilities
- Ensure resilient, inclusive, and sustainable urban growth

4

MALAYSIA CONTEXT EXAMPLE

In Malaysia, local authorities include City Councils (Majlis Bandaraya), Municipal Councils (Majlis Perbandaran), and District Councils (Majlis Daerah). They operate under the **Local Government Act 1976** (Act 171) and are responsible for:

- ✓ Local planning and development control
- ✓ Public health, sanitation, and waste management
- ✓ Building control and licensing
- ✓ Local roads, drains, parks, and markets
- ✓ Community wellbeing and local economic activities

Examples include DBKL (Kuala Lumpur City Hall), MBBJ (Johor Bahru City Council), and MPSJ (Subang Jaya Municipal Council).

5

POLICY AND IMPLEMENTATION INSIGHT



Strong local governance and empowerment enable local authorities to perform effectively.

Key enablers include:

- Clear legal mandates and adequate fiscal resources
- Capacity building and professional workforce
- Integrated planning and data-driven decision making
- Collaboration with state agencies, private sector, and communities
- Transparency, accountability, and good governance

Effective local authorities are the foundation of well-planned, liveable, and resilient cities.



THE BOTTOM LINE

Local authorities bring government closer to people—turning policies into action and creating better places to live, work, and thrive.



PEOPLE

Serve communities



PLACE

Manage local areas



PROSPERITY

Drive sustainable development



GOVERNANCE

Ensure accountable and effective service



2. TRANSPARENT PROCUREMENT

Transparency in procurement is a key deterrent to corruption and ensures that urban infrastructure projects are awarded fairly.



Digital Transformation: The mandatory use of **e-Procurement** (e-Perolehan) websites minimizes direct contact between officials and bidders, reducing opportunities for malpractice.



Standardized Methods:

Procurement follows strict methods—such as open tenders and quotations—regulated by the Ministry of Finance to ensure open and fair competition.



Green Procurement:

Modern policies encourage “Green Procurement” for urban projects to support the expansion of the green technology sector and reduce carbon emissions.

 PLANNING MALAYSIA +5



How does Governance in Urban Planning structure?

Governance ESG Integration in Urban Planning



Strong governance ensures that ESG principles are embedded in urban planning processes, leading to sustainable, resilient, and inclusive cities.

IV. Core Pillars: Integrity, Transparency, and Accountability

IV. Core Pillars: Integrity, Transparency, and Accountability

- **Transparency:** Making information and decision-making processes accessible to build public trust.
- **Accountability:** Ensuring individuals and institutions are answerable for their actions, particularly in **fiscal management** and resource use.
- **Ethical Decision-Making:** Prioritising social equity and environmental sustainability while preventing "elite capture".
- **Anti-Corruption:** Aligning with **MACC requirements** and implementing transparent procurement (e-Procurement) to award projects fairly



TRANSPARENCY

Open Information. Better Decisions. Stronger Communities.



1

KEY CONCEPT OF TRANSPARENCY



Transparency means making information, processes, and decisions accessible, clear, and understandable to the public. It builds trust, encourages accountability, and supports better governance.

2

DEFINITION AND EXPLANATION



Transparency involves:

- ✓ Open access to information
- ✓ Clear and timely communication
- ✓ Disclosure of data and decisions
- ✓ Accountability for actions and outcomes
- ✓ Opportunities for public scrutiny and feedback

3

APPLICATION IN URBAN PLANNING



4

MALAYSIA CONTEXT EXAMPLE



Malaysia promotes transparency through initiatives such as:

- ✓ Open data portals (data.gov.my)
- ✓ e-Participation platform (ePPA) for public feedback
- ✓ Local Plan engagement exercises by Local Authorities
- ✓ Disclosure of budgets, projects, and procurement information
- ✓ Right to Information (RTI) Act 2010 (Act 711) strengthens access to public information

5

POLICY AND IMPLEMENTATION INSIGHT



Embedding transparency requires:

- ✓ Strong legal and policy frameworks
- ✓ Proactive disclosure and open data
- ✓ Digital tools and user-friendly information systems
- ✓ Capacity building for public officers
- ✓ Independent oversight and audits
- ✓ Active public participation and feedback mechanisms



THE BOTTOM LINE

Transparency empowers people with information, strengthens trust in institutions, and leads to more inclusive, effective, and sustainable cities.

KEY OUTCOMES OF TRANSPARENCY



Greater public trust and confidence



Better accountability and reduced corruption



Inclusive and informed communities



Better decisions and outcomes



Sustainable and resilient cities

HOW TO ADVANCE TRANSPARENCY



Commit to open and ethical governance



Invest in digital transparency and open data



Communicate clearly and consistently



Engage early, engage often, engage all



ESG DISCLOSURE AND SCORINGS

A Pathway to Sustainable Cities and Investor Confidence

1



Demonstrate Commitment to Sustainability

ESG disclosure and scorings are important ways for cities to demonstrate their commitment to sustainability and to attract investors interested in financing sustainable initiatives.



2



Improve Access to Essential Infrastructure Funding

Cities may enhance their prospects of obtaining essential funding for critical infrastructure improvements by offering transparent and accurate information on environmental, social, and governance standards.



3



Mobilise Diverse Financing for Climate Investment

Cities can utilise municipal revenues and grants, debt financing as municipal bonds and loans, and hybrid mechanisms as public-private partnerships for financing their climate-related investments.



Transparent ESG practices build trust, unlock capital, and create resilient, sustainable cities for future generations.



ACCOUNTABILITY

Taking Responsibility. Delivering Results. Building Trust.



1

KEY CONCEPT OF ACCOUNTABILITY



Accountability means individuals, organizations, and institutions are answerable for their actions, decisions, and outcomes. It ensures responsibilities are fulfilled, resources are used properly, and commitments are honoured.



2

DEFINITION AND EXPLANATION



Accountability involves:

- ✓ Having clear roles and responsibilities
- ✓ Being answerable for decisions and actions
- ✓ Delivering on commitments and performance targets
- ✓ Reporting and explaining results and outcomes
- ✓ Facing consequences for non-performance
- ✓ Promoting integrity, fairness, and trust

3

APPLICATION IN URBAN PLANNING



4

MALAYSIA CONTEXT EXAMPLE



In Malaysia, accountability is embedded in frameworks such as:



Local Government Act 1976 (Act 171) – defines roles, powers and duties of local authorities



National Audit Act 1957 – ensures public funds are properly audited



Public Service Department initiatives – performance management and KPIs



Integrated Planning Act 2016 (Act 172) – promotes evidence-based and result-oriented planning

5

POLICY AND IMPLEMENTATION INSIGHT



Strengthening accountability requires:

- ✓ Clear policies and legal frameworks
- ✓ Strong performance management and evaluation
- ✓ Transparent reporting and open data
- ✓ Independent oversight and audits
- ✓ Capacity building and ethical leadership
- ✓ Active public participation and feedback

THE BOTTOM LINE



Accountability drives better decisions, efficient use of resources, and improved service delivery—leading to accountable institutions and sustainable, liveable cities.

OUTCOMES OF ACCOUNTABILITY



Greater trust and public confidence



Better performance and results



Efficient use of resources



Fair and inclusive governance



Sustainable and resilient cities

4.2 Ethical Decision-making and Transparency



Ethical decision-making in urban planning involves prioritising **social equity**, **environmental sustainability**, and **community engagement**.



Transparency in ESG practices ensures **accountability**, allowing stakeholders to understand the impacts of decisions.

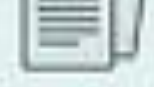


By openly sharing data and involving communities, urban planners can **foster trust** and enhance the effectiveness of sustainability initiatives.



DEFINING GOVERNANCE (G)

Governance forms the backbone of ESG, ensuring accountability and ethical business practices. Key elements include:

- 
Oversight & Accountability
- 
Board Diversity
- 
Anti-corruption measures
- 
Aligned with MACC Requirements
- 
Transparency & Disclosures
- 
Shareholder Rights

****CRITICAL SUCCESS FACTOR:** Property developers managing large capital and long lifecycles rely on strong governance to reduce legal, financial, and reputational risks.

LIST OF ACTS AND LEGAL REFERENCES

1. Federal Constitution Malaysian Anti-Corruption Commission Act 2009 (Act 694)
2. Anti-Corruption Act 1997 (Act 575)
3. Penal Code (Act 574)
4. Criminal Procedure Code (Act 593)
5. Courts of Judicature Act (Act 91)
6. Evidence Act 1950 (Act 56)
7. Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (Act 613)
8. Witness Protection Act 2009 (Act 696)
9. Whistleblower Protection Act 2010 (Act 711)
10. Criminal Procedure (Rates of Payment to Witnesses) Rules 2011
11. Appointment of Lock-Up To Be A Place of Confinement (Gazette)
12. Malaysian Anti-Corruption Commission (Amendment) Act 2018 (Act A1567)



Official MACC Portal: Legal Parameters

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The cornerstone for ethical business practices
in Malaysian property development.



In Malaysia, **Good Urban Governance** is a foundational principle of the [Second National Urbanisation Policy \(NUP2\)](#), designed to ensure cities are resilient, inclusive, and transparently managed. This framework translates into specific actions across fiscal management, procurement, and public participation.

1. ACCOUNTABILITY IN FISCAL MANAGEMENT

To maintain financial sustainability and trust, the Malaysian government has implemented reforms focusing on:



Legislative Oversight: The **Public Finance and Fiscal Responsibility Act 2023** sets legal requirements for managing fiscal risks and maintaining federal debt levels.



Prudent Spending: Urban development projects must adhere to rigorous budget integrity standards, emphasizing **“Value for Money”** and the prevention of resource wastage.



Systemic Asset Management: Local authorities are tasked with efficient and systemic management of public assets to optimize resource use.



Governance
Integrity
Accountability
Transparency



Good Governance (G):

This includes accountability in fiscal management, transparent procurement, and high-quality citizen engagement in the planning process.

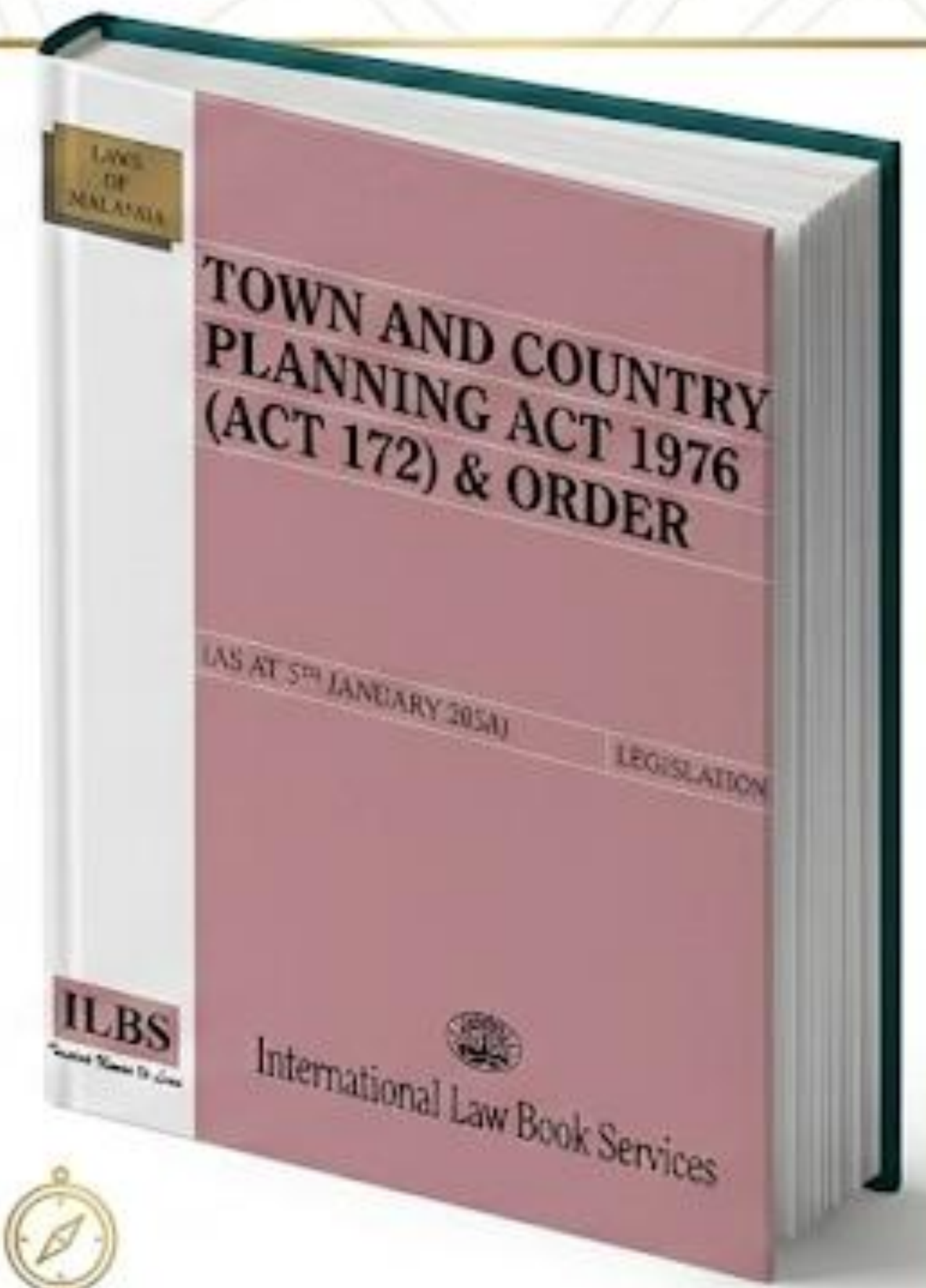
V. Regulatory Framework (The Malaysia Context)

V. Regulatory Framework (The Malaysia Context)

- **Town and Country Planning Act 1976 (Act 172):** The primary framework for land use regulation in Peninsular Malaysia.
- **Planning Permission (Kebenaran Merancang):** Ensures development aligns with local policies and community needs.
- **Public Participation:** Mandates that LAs notify the public and consider feedback to promote transparency.

Urban Planning in Malaysia - Regulatory

- Primarily governed by the Town and Country Planning Act 1976 (Act 172)
- This Act provides a framework for the management and regulation of land use and development across urban areas in Peninsular Malaysia, excluding the Federal Territories.



The key aspects of urban planning under Act 172:

1. **Local Authorities** the primary planning authorities responsible for land use planning and development control within their jurisdictions. This includes municipalities, city councils, and district councils.
2. **Functions of Local Authorities** including:
 1. Regulating and controlling land use and development.
 2. Preparing and maintaining planning documents such as structure plans and local plans.
 3. Ensuring compliance with planning regulations and policies.
3. **Planning Permission** Under Act 172, any development or construction requires planning permission (Kebenaran Merancang) from the local authority to align with local planning policies and community needs.
4. **Public Participation** The Act emphasizes the importance of public involvement in the planning process. Local authorities must notify the public and consider objections or feedback regarding planning applications, promoting transparency and community engagement.
5. **Sustainable Development** Act 172 encourages sustainable urban development practices, aiming to balance economic growth with environmental protection and social equity.

Governance (G) - Key Elements

Processing and key planning and governance and accountability can as access presents of the key elements:



Board oversight & diversity:

Ensures oversight, diversity, and effectiveness at the boardroom and board level.



Anti-corruption measures:

Strengthens integrity and implements robust anti-corruption measures.



Transparency disclosures:

Promotes openness through open data, open documents, and clear reporting.

CRITICAL SUCCESS FACTOR

Property developers safeguarding public interest, community well-being and sustainable economics.

List of Acts and Legal References

1	Town and Country Planning Act 1976 (Act 172)
2	Street, Drainage and Building Act 1974 (Act 133)
3	National Land Code 1965 (Act 56)
4	Land Acquisition Act 1960 (Act 486)
5	Strata Titles Act 1985 (Act 318)
6	Environmental Quality Act 1974 (Act 127)
7	National Heritage Act 2005 (Act 645)
8	Local Government Act 1976 (Act 171)
9	Housing Development (Control and Licensing) Act 1966 (Act 118)
10	National Physical Plan 4 (2021–2040)
11	Malaysia Plan (Twelfth Malaysia Plan, 2021–2025)
12	State Structure Plans
13	Local Plans



Official MACC Portal: Legal Parameters

01

Board oversight & diversity

Ensures effective and independent oversight with diverse expertise and management.



02

Active Participation & Control

Enables effective internal controls, risk management, and citizen feedback mechanisms.



03

Coordinated Development

Promotes integrated planning across agencies for sustainable and balanced development.



04

Transparency and Disclosure

Ensures timely and accurate disclosure of information and open data practices.





An analysis of ESG governance within the context of the core functions of urban planning:



i. Urban Planning and Land Use Regulation (Governance and Environmental Focus)

Local Authorities are tasked with creating master plans and land-use regulations that adhere to ESG standards, shifting from conventional planning to a “sustainable development” approach.



Environmental & Governance Alignment: Integrating spatial planning with ESG involves zoning regulations that prioritize environmental protection (e.g., green spaces, biodiversity), and reduce ecological impacts.



Controlling Development: Good governance involves using zoning codes, land-use controls, and digital tools (like digital twins) to regulate land use in accordance with environmental standards.



Socio-Spatial Equity: ESG-driven planning seeks to avoid the negative consequences of previous planning models—such as overcrowding and poor air quality—by ensuring equitable access to public amenities.



iii. Economic and Social Development Planning (Social and Governance Focus)

LAs align urban developmental plans with national goals, incorporating social responsibility and financial accountability.



1. Inclusive Growth: Planning must focus on livelihoods and social cohesion, addressing issues like affordable housing to prevent exclusion.



2. Good Governance (G): This includes accountability in fiscal management, transparent procurement, and high-quality citizen engagement in the planning process.



3. Financing Sustainable Urbanisation: Implementing ESG helps ULBs gain credibility, enabling them to raise funds for sustainable projects through green bonds and public-private partnerships (PPPs).



STRONG ESG GOVERNANCE FRAMEWORK

CORE PRINCIPLES (Key Processes)

-  Transparency
-  Zoning
-  Procurement
-  Public Engagement



GOALS

-  Avoid Elite Capture
-  Ensure Equitable Outcomes

ETHICAL POLICIES & ACCOUNTABILITY

-  Prevent Graft / No Corruption (Ethical land-use policies)
-  Inclusive Processes (Accountable planning)
-  Community Input



PARTICIPATORY PLANNING & STRUCTURES

MECHANISMS

-  Independent Oversight Boards
-  Citizen Audits
-  Digital Dashboards

SDG ALIGNMENT



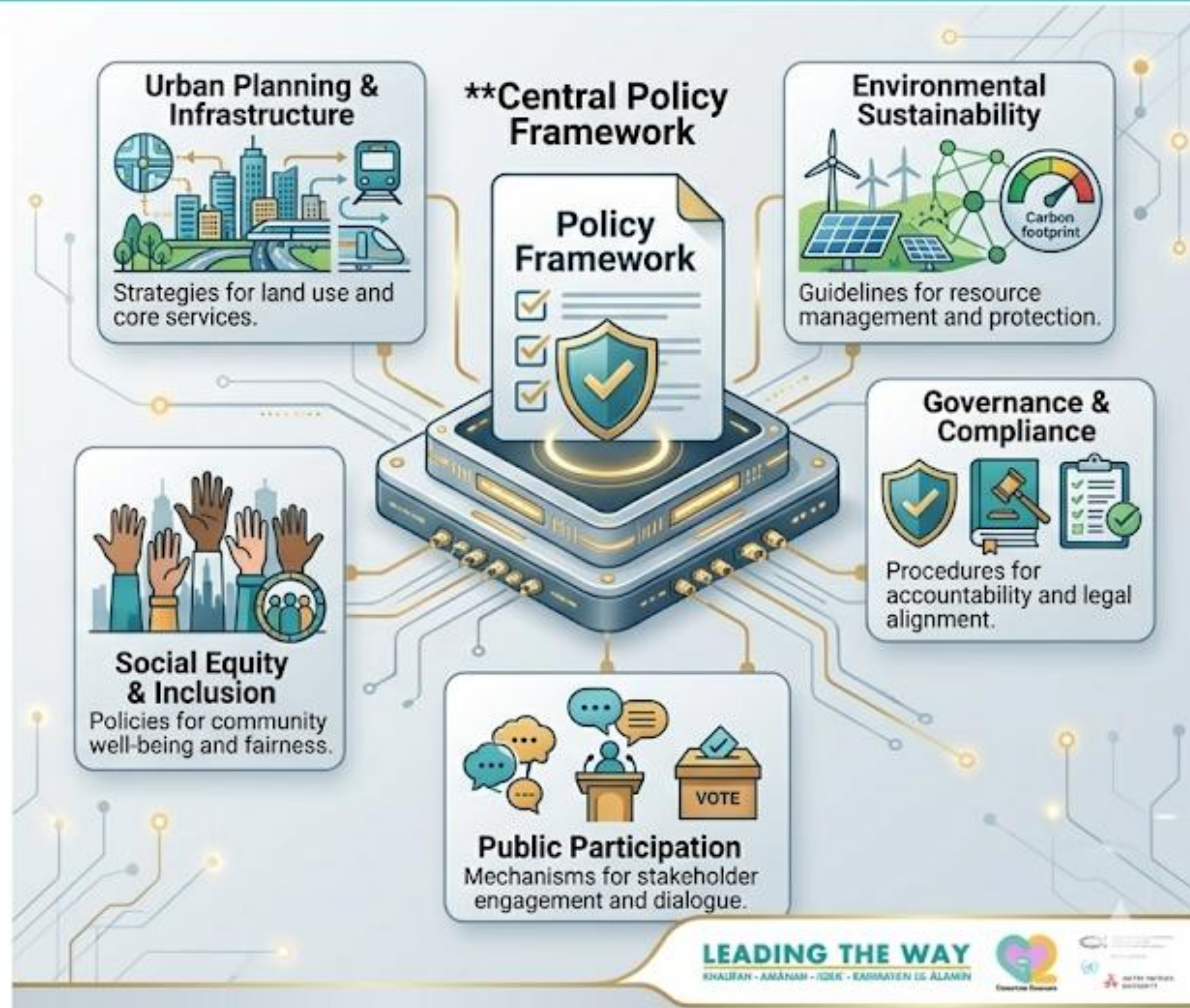
SDG ALIGNMENT



Aligning develop with UN SDGs.

Policy Frameworks

- Policy Frameworks** refer to the **structured set of rules, guidelines, and strategies** that **guide decision-making, planning, and implementation** of **urban development projects** to ensure sustainability, equity, and accountability.
- Policy frameworks establish clear **standards, regulations, and procedures** for land use, building codes, environmental protection, infrastructure development, and resource allocation.
- They provide a roadmap for **responsible governance**, helping authorities make consistent, transparent, and legally compliant decisions.





GUIDELINES

Clear Direction. Consistent Decisions. Better Outcomes.

Guidelines provide practical direction and best practices to support effective, consistent and high-quality planning and development.



1

KEY CONCEPT OF GUIDELINES



Guidelines are non-statutory documents that provide recommended standards, principles and best practices to support planning, design, implementation and decision-making.



Direction



Consistency



Quality



Best Practice

2

DEFINITION AND EXPLANATION



Guidelines translate policies and objectives into practical advice and technical standards for professionals, agencies, communities and developers.

They help to:

- ✓ Clarify expectations
- ✓ Promote good practice
- ✓ Ensure consistency
- ✓ Improve quality and efficiency

3

APPLICATION IN URBAN PLANNING



Provide a common reference to guide planning and implementation across all levels.

4

MALAYSIA CONTEXT EXAMPLE



Examples of planning guidelines in Malaysia:

- Garis Panduan Perancangan Bandar (PLANMalaysia)
- Low Impact Development (LID) Guidelines
- Design Guidelines for Affordable Housing
- Public Transport Oriented Development (TOD) Guidelines
- Urban Green Space Guidelines

These guidelines support local authorities and practitioners in achieving national planning goals and sustainable cities.

5

POLICY AND IMPLEMENTATION INSIGHT



Effective use of guidelines requires:

- ✓ Alignment with policies and plans
- ✓ Regular updates and review
- ✓ Capacity building and training
- ✓ Stakeholder engagement
- ✓ Easy access and clear communication
- ✓ Monitoring and feedback for continuous improvement



THE BOTTOM LINE

Well-designed and widely used guidelines ensure better planning, consistent outcomes and sustainable, liveable communities.

OUTCOMES OF EFFECTIVE GUIDELINES



Consistent decisions



Higher quality development



Reduced risks and conflicts



Greater efficiency and cost savings



Sustainable and resilient cities



Stronger public trust

PRINCIPLES OF GOOD GUIDELINES



CLEAR



PRACTICAL



EVIDENCE-BASED



INCLUSIVE



ADAPTIVE



ACCESSIBLE



GOOD GUIDELINES. STRONGER PLACES. BETTER FUTURES.

Guiding today's decisions for tomorrow's communities.





High-Quality Citizen Engagement

Malaysian urban planning has shifted toward a “**People-Centred**” approach, mandated by the Town and Country Planning Act 1976 (Act 172). [Pelan Pembangunan Kuala Lumpur 2040 +1](#)



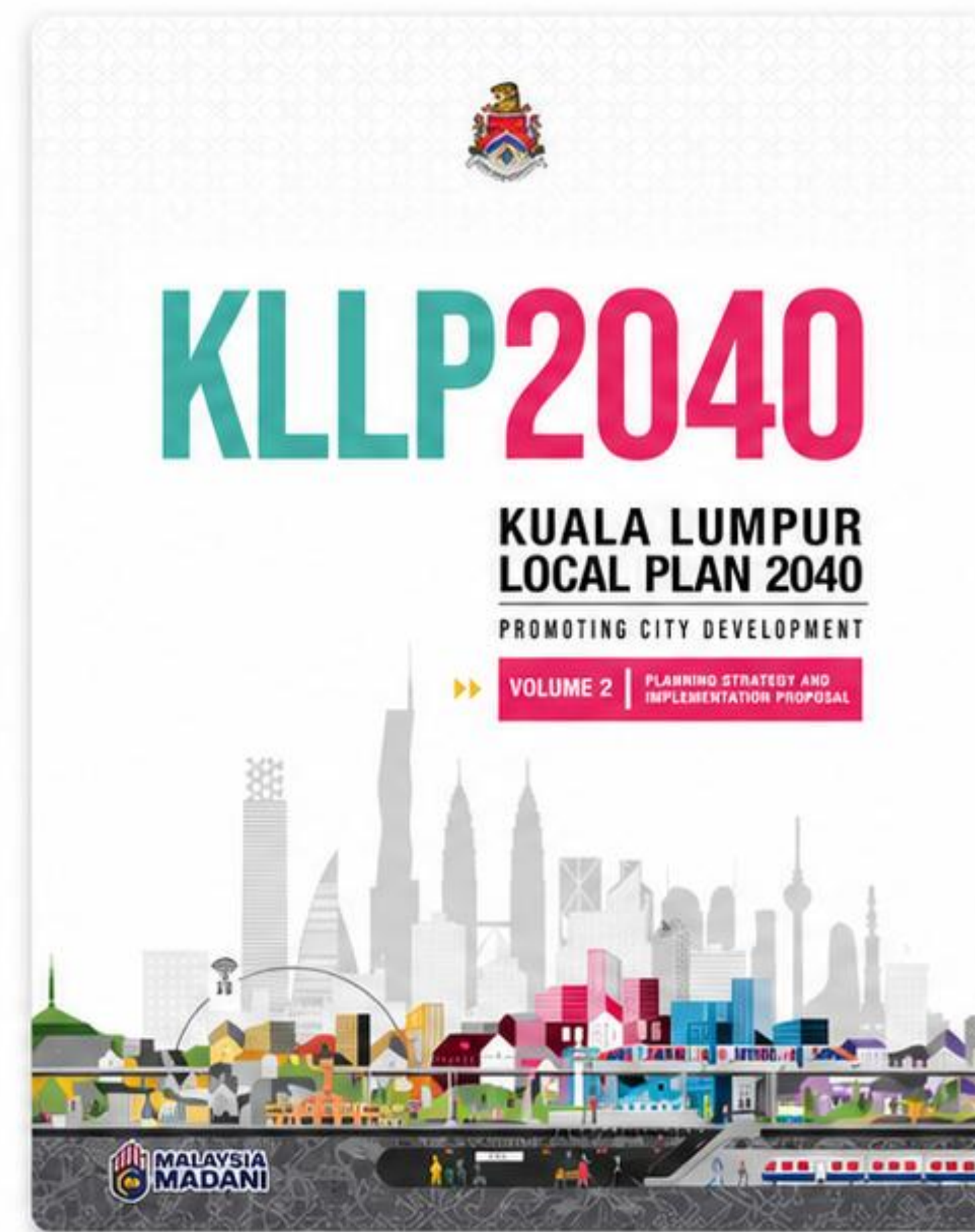
Public Publicity and Participation: Local planning authorities (LPAs) must hold public exhibitions for draft Local Plans (e.g., Kuala Lumpur Local Plan 2040) to allow citizens to submit feedback and objections before finalization.



Local Agenda 21 (LA21): This program fosters three-way partnerships between local authorities, the private sector, and the community to implement sustainability initiatives at the grassroots level.



Digital Feedback Channels: Agencies like [DBKL](#) have established two-way communication channels to handle public queries and improve service delivery based on community needs. [Pelan Pembangunan Kuala Lumpur 2040 +4](#)



<https://ppkl.dbkl.gov.my/wp-content/uploads/2025/06/1.-VOLUME-2-PROMOTING-CITY-DEVELOPMENT.pdf>



VI. Implementation: Metric, Tools & Integration

VI. Implementation: Metrics, Tools, and Integration

ESG Integration Steps:

Establish **independent review boards** for major projects.

Require **ESG audits** in procurement and zoning.

Launch **stakeholder portals** for real-time feedback.

Measurement Tools:

KPIs and Materiality Matrices: Measuring "what matters" (e.g., carbon emissions, public participation rates).

Integrated Platforms: Using **GIS-BIM-IoT** technology to track city-scale ESG performance.

Scorecards: Practical tools to monitor and communicate progress toward sustainability goals.

Governance ESG Integration in Urban Planning



Transparency and Accountability: Implementing transparent and accountable governance structures ensures that urban planning decisions are made fairly and in the best interest of the community.



Risk Management: Identifying and managing risks related to climate change, social unrest, and other potential challenges helps build a resilient city.



Collaboration and Partnerships: Working with various stakeholders, including residents, businesses, and non-profit organizations, fosters a sense of shared responsibility for the future of the city.



Data-Driven Decision Making: Using data to inform urban planning decisions ensures that policies are effective and efficient.



Monitoring and Evaluation: Regularly monitoring progress towards sustainability goals and evaluating the effectiveness of urban planning initiatives helps improve future strategies.

Governance ESG Integration in Urban Planning



INTEGRATED INTO URBAN PLANNING



Land Use & Zoning

Promote efficient land use, mixed-use development and inclusive communities



Green Infrastructure & Climate Resilience

Enhance urban resilience, biodiversity and low-carbon infrastructure



Sustainable Mobility

Plan accessible, integrated and low-emission transport systems



Affordable & Inclusive Communities

Ensure social equity, affordability and community well-being



Good Governance & Engagement

Strengthen stakeholder engagement, transparency and accountable decision-making

DELIVERING SUSTAINABLE URBAN OUTCOMES



Climate-resilient and environment-friendly cities



Healthy, inclusive and livable communities



Efficient use of resources and long-term value



Stronger governance and stakeholder trust



Aligned with national sustainability goals and investor expectations

By embedding ESG risk assessment, metrics and reporting into urban planning, we build cities that are sustainable, resilient and future-ready—creating value for people, planet and prosperity.

**BURSA
MALAYSIA** 



Steps for Urban Planners Integrate ESG in Urban Planning

01



Establish independent review boards for major projects.

Ensure transparency, accountability, and balanced decision-making through independent oversight.

02



Require ESG audits in procurement and zoning.

Embed ESG criteria in evaluations to promote sustainable, responsible, and resilient developments.

03



Launch stakeholder portals for real-time feedback.

Empower communities and partners to engage, provide input, and track project progress in real time.

1. Establish Independent Review Boards for Major Projects



2. Require ESG Audits in Procurement and Zoning



3. Launch Stakeholder Portals for Real-Time Feedback



- **Kuala Lumpur**

Open-data
planning portals
enhance
accountability
while preserving
heritage



**Please refer to Notes Governance
ESG for the details**



INTEGRATION ESG

Building Sustainable, Resilient & Inclusive Cities

Integrating Environmental, Social and Governance (ESG) principles into urban planning ensures long-term value for people, planet and prosperity.



1 KEY CONCEPT OF INTEGRATION ESG



Integration ESG means embedding environmental, social, and governance considerations into policies, plans, projects and decisions to create sustainable, inclusive and well-governed cities.

- Environmental – reduce impact and use resources responsibly
- Social – enhance well-being, equity and community resilience
- Governance – ensure transparency, ethics and accountability

2 DEFINITION AND EXPLANATION



A holistic approach that integrates ESG factors into urban planning and development to balance economic growth with environmental protection, social inclusion and good governance.

It involves:

- ✓ Assessing ESG risks and opportunities
- ✓ Setting ESG-aligned objectives
- ✓ Embedding ESG in policies, plans and projects
- ✓ Monitoring, reporting and continuous improvement

3 APPLICATION IN URBAN PLANNING



Applies ESG across the entire planning cycle:
Vision → Plan → Design → Implement → Operate → Evaluate

4 MALAYSIA CONTEXT EXAMPLE



Malaysia is advancing ESG integration in urban development through:

- National Physical Plan 4** – promoting low-carbon, liveable and resilient cities
- KL2030 & Local Plan** – embedding sustainability and inclusivity
- Green Building Index (GBI) & MyCREST** – encouraging sustainable building and infrastructure
- IRDA & PBT initiatives** – integrating ESG in local planning and projects
- Public-Private Partnerships (PPP)** – driving sustainable investments and innovation

5 POLICY AND IMPLEMENTATION INSIGHT



Effective ESG integration requires:

- ✓ Strong leadership and political will
- ✓ Clear policies, guidelines and standards
- ✓ Cross-sector collaboration and stakeholder participation
- ✓ Reliable data, tools and capacity building
- ✓ Transparent reporting and accountability
- ✓ Continuous monitoring and adaptive management



THE BOTTOM LINE

Integrating ESG into urban planning creates sustainable, inclusive and well-governed cities that deliver long-term value for people, planet and prosperity.

BENEFITS OF INTEGRATING ESG

Environmental protection and climate resilience

Healthier, safer and more inclusive communities

Efficient use of resources and cost savings

Stronger governance, transparency and risk management

Attracts investment and supports green economic growth

Builds resilient and future-ready cities

GOOD ESG INTEGRATION DRIVES

- ✓ Better decisions
- ✓ Stronger trust and legitimacy
- ✓ Sustainable outcomes
- ✓ Thriving cities for all



TOGETHER FOR BETTER CITIES

Integrate ESG today for a sustainable and liveable tomorrow.

People • Planet • Prosperity • Governance



KPIs

Measuring What Matters. Driving Better Outcomes.

KPIs (Key Performance Indicators) are measurable values that indicate how effectively an organization or initiative is achieving its key objectives.



1

KEY CONCEPT OF KPIs



- ✓ KPIs translate goals into measurable outcomes.
- ✓ They help track progress, focus efforts, and improve performance.
- ✓ Good KPIs are aligned with objectives, measurable, and actionable.

2

DEFINITION AND EXPLANATION



KPIs are specific, quantifiable metrics used to evaluate performance and progress towards strategic goals.

They answer:

- ✓ How are we doing?
- ✓ Are we on track?
- ✓ What can we improve?

3

APPLICATION IN URBAN PLANNING



4

MALAYSIA CONTEXT EXAMPLE



KPIs are used in national and local initiatives such as:

- ✓ PLANMalaysia – monitoring spatial plan implementation
- ✓ Sustainable Development Goals (SDG) Malaysia – tracking national progress
- ✓ Smart City Malaysia – measuring smart city outcomes
- ✓ Local authorities – assessing service delivery and community wellbeing

Examples of KPIs:



5

POLICY AND IMPLEMENTATION INSIGHT



- ✓ Define clear objectives and align KPIs with strategic goals.
- ✓ Use reliable data and digital tools for accurate measurement.
- ✓ Review KPIs regularly and adjust as needed.
- ✓ Build capacity and ensure staff understand and use KPIs.
- ✓ Communicate KPI results transparently and involve stakeholders.



THE BOTTOM LINE

KPIs help turn plans into progress. They provide insight, drive improvement, and ensure better outcomes for livable, sustainable and resilient cities.

GOOD KPIs ARE SMART

S

SPECIFIC

Clear and specific

M

MEASURABLE

Quantifiable

A

ACHIEVABLE

Realistic and attainable

R

RELEVANT

Aligned with goals

T

TIME-BOUND

Has a clear timeframe

EXAMPLES OF KPI CATEGORIES



Housing & Land



Mobility & Transport



Environment & Resilience



Economy & Development



Community & Wellbeing



USE KPIs WISELY



Start with a few key indicators



Use data you can trust



Focus on outcomes, not just outputs



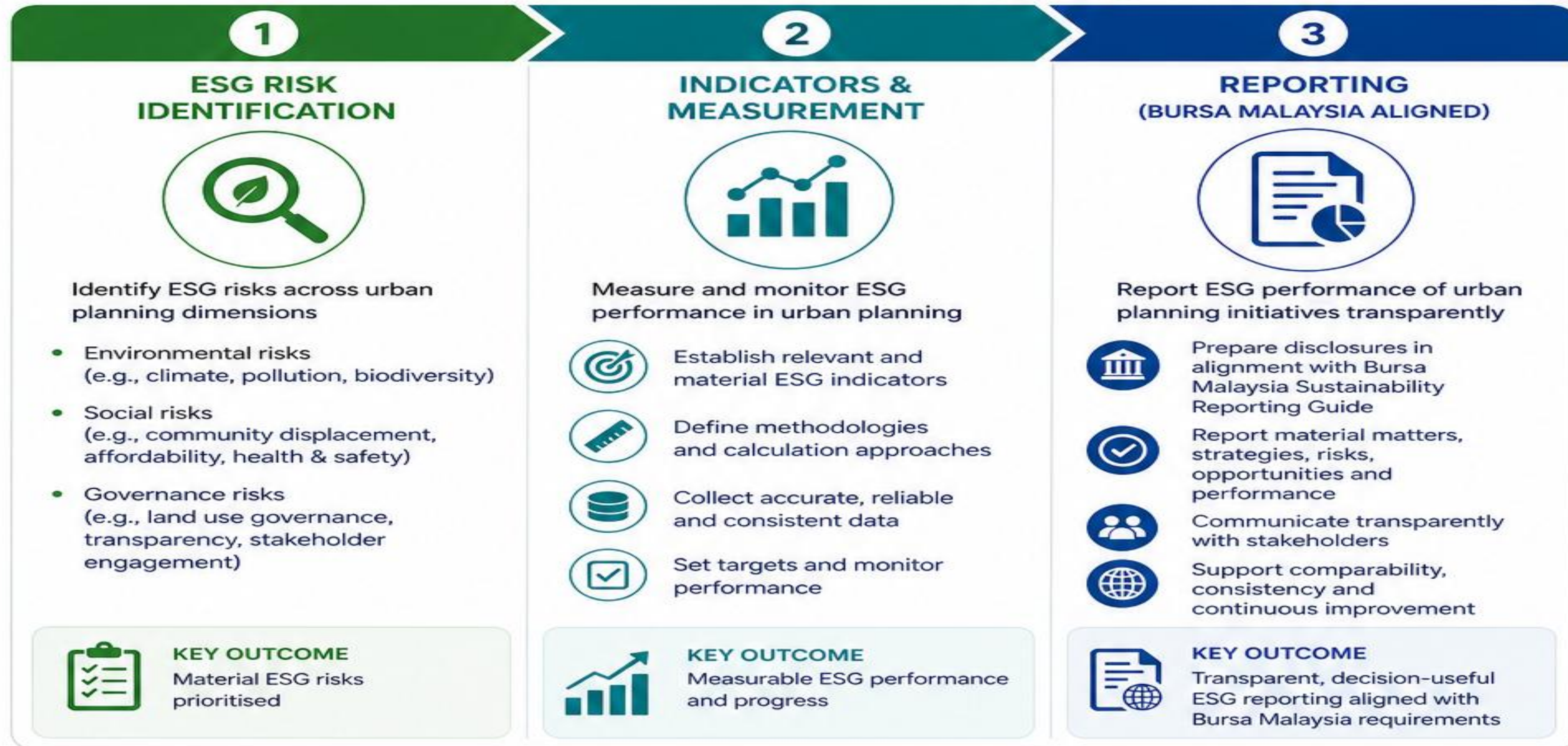
Continuous improvement leads to better cities

ESG

Risk, Metrics & Reporting

Aligned with Urban Planning

Integrating ESG considerations into urban planning ensures resilient, inclusive and sustainable cities that create long-term value for people, the planet and communities.



3



APPLICATION IN URBAN PLANNING

Policy frameworks help planners to:

- Set a clear **vision** for urban growth and land use
- **Coordinate** across agencies and sectors
- **Guide** development control and infrastructure investment
- **Promote** sustainability, resilience, and inclusivity
- **Balance** economic, social, and environmental goals



4



MALAYSIA CONTEXT EXAMPLE

Malaysia uses policy frameworks such as **The National Spatial Plan**, **Shared Prosperity Vision 2030**, and the **Malaysia Plan** to guide national and local development. These frameworks support balanced regional growth, livable cities, and sustainable resource management.



5



POLICY AND IMPLEMENTATION INSIGHT

Effective policy frameworks require:

- Strong legal and institutional support
- Stakeholder engagement and collaboration
- Clear roles and responsibilities
- Adequate resources and capacity
- Monitoring, evaluation, and adaptive learning



COLLABORATE



IMPLEMENT



MONITOR



ADAPT & IMPROVE



Strong policy frameworks create the foundation for effective planning, sound decisions, and better urban outcomes for all.



SUSTAINABLE



INCLUSIVE



RESILIENT



PROSPEROUS



CORE COMPONENT 2

ESG RISK, METRICS & REPORTING

🕒 3 Hours

From identifying risks to reporting performance – driving transparency and sustainable value.

1 ESG RISK IDENTIFICATION

Identify and assess risks that may affect sustainability performance and long-term value.



ENVIRONMENTAL RISKS

- Climate change & extreme weather
- Resource depletion & biodiversity loss
- Pollution, waste & emissions



SOCIAL RISKS

- Labour practices & health and safety
- Community impact & human rights
- Diversity, equity & inclusion



GOVERNANCE RISKS

- Business ethics & integrity
- Regulatory compliance
- Board effectiveness & transparency



Apply risk mapping and materiality assessment to focus on what matters most.

2 INDICATORS & MEASUREMENT

Use relevant indicators and metrics to measure and track ESG performance.



Define Key ESG Indicators (KPIs)

Select indicators aligned with material ESG matters and strategic goals.



Use Quantitative Metrics

Measure performance with data (e.g., carbon emissions, energy use, water consumption).



Apply Qualitative Indicators

Assess practices, policies and stakeholder engagement (e.g., governance, community impact, policy effectiveness).



Ensure Data Quality

Ensure consistency, comparability, accuracy and reliability of data.



Measure today. Improve tomorrow.
Data drives better ESG decisions.

3 ESG REPORTING (BURSA MALAYSIA ALIGNED)

Report ESG performance transparently in line with Bursa Malaysia requirements.



Align with Bursa Malaysia Sustainability Reporting Guide

Follow the latest disclosure requirements and recommended practices.



Disclose Key Information

- Material ESG matters
- Performance indicators
- Management approaches and progress



Promote Transparency & Accountability

Provide clear, balanced and consistent disclosures that enable informed decisions.



Build Stakeholder & Investor Confidence

Effective reporting enhances trust, reputation and access to sustainable finance.



Aligned reporting.
Stronger markets. Sustainable future.

WHY IT MATTERS



Strengthens risk management

Mitigate potential risks in urban development.



Supports evidence-based planning

Use reliable data to inform policies and decisions.



Enhances compliance

Align with Bursa Malaysia requirements and national ESG expectations.



Builds trust & impact

Improve accountability and track measurable outcomes for greater impact.



1

ESG RISK, METRICS & REPORTING

⌚ 3 Hours

From identifying risks to reporting performance – driving transparency and sustainable value.





Objective
Build the capability to identify ESG risks, measure performance using indicators, and report transparently in line with Bursa Malaysia requirements.

2

ESG RISK IDENTIFICATION

Identify and assess risks that may affect sustainability performance and long-term value.



ENVIRONMENTAL RISKS

- Climate change & extreme weather
- Resource depletion & biodiversity loss
- Pollution, waste & emissions



SOCIAL RISKS

- Labour practices & health and safety
- Community impact & human rights
- Diversity, equity & inclusion



GOVERNANCE RISKS

- Business ethics & integrity
- Regulatory compliance
- Board effectiveness & transparency



Apply risk mapping and materiality assessment to focus on what matters most.

3

RISK IDENTIFICATION PROCESS

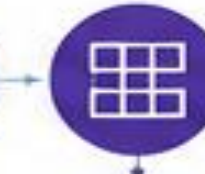
A structured approach to identify, assess and prioritise ESG risks.



Identify
List potential ESG risks



Assess
Evaluate impact and likelihood



Prioritise
Use materiality matrix



Respond
Develop mitigation strategies

RISK MATRIX (Example)

High			
Medium			
Low			
	Low	Medium	High
	LIKELIHOOD		

 High Priority
 Medium Priority
 Low Priority

4

INDICATORS & MEASUREMENT

Use relevant indicators and metrics to measure and track ESG performance.



Define Key ESG Indicators (KPIs)
Select indicators aligned with material ESG matters and strategic goals.



Use Quantitative Metrics
Measure performance with data (e.g., carbon emissions, energy use, water consumption).



Apply Qualitative Indicators
Assess practices, policies and stakeholder engagement (e.g., governance, community impact, policy effectiveness).



Ensure Data Quality
Ensure consistency, comparability, accuracy and reliability of data.



Measure today. Improve tomorrow.
Data drives better ESG decisions.

5

TYPES OF ESG INDICATORS

A balanced set of indicators provides a complete view of performance.



ENVIRONMENTAL

- GHG emissions
- Energy & water consumption
- Waste management
- Biodiversity protection



SOCIAL

- Employee health & safety
- Training & development
- Community investment
- Diversity & inclusion



GOVERNANCE

- Board diversity & structure
- Anti-corruption practices
- Compliance & policies
- Risk management



Select indicators that are material, measurable and decision-relevant.

6

DATA COLLECTION & MANAGEMENT

Reliable data is the foundation of credible ESG reporting.



Identify Data Sources
Internal systems, sensors, surveys, suppliers, public databases.



Establish Data Processes
Standardize collection methods and definitions.



Maintain Data Integrity
Validate, review and audit data regularly.



Use Technology
Leverage digital tools and dashboards for efficient data management.



Good data management ensures trust, accuracy and compliance.

7

ESG REPORTING (BURSA MALAYSIA ALIGNED)

Report ESG performance transparently in line with Bursa Malaysia requirements.



Align with Bursa Malaysia Sustainability Reporting Guide
Follow the latest disclosure requirements and recommended practices.



Disclose Key Information

- Material ESG matters
- Performance indicators
- Management approaches and progress



Promote Transparency & Accountability
Provide clear, balanced and consistent disclosures that enable informed decisions.



Build Stakeholder & Investor Confidence
Effective reporting enhances trust, reputation and access to sustainable finance.



BURSA MALAYSIA Aligned reporting.
Stronger markets. Sustainable future.

8

ESG REPORTING FRAMEWORK (BURSA MALAYSIA)

Key content areas for sustainability reporting.

Governance
Governance structure, ethics, policies and oversight

Strategy
Sustainability strategy, risks & opportunities

Management Approach
Policies, actions and resource allocation

Performance Indicators
ESG metrics, targets and performance

Future Outlook
Targets, plans and continuous improvement



SUSTAINABILITY REPORT



Report consistently, compare meaningfully, improve continuously.

9

BENEFITS OF ESG RISK, METRICS & REPORTING

Strong ESG practices create long-term value for organizations and communities.



Strengthens Risk Management
Identify and mitigate potential risks in urban development.



Supports Evidence-Based Planning
Use reliable data to inform policies and decisions.



Enhances Compliance
Align with Bursa Malaysia requirements and national ESG expectations.



Builds Trust & Impact
Improve accountability and track measurable outcomes for greater impact.



10

FROM DATA TO IMPACT

A continuous cycle for sustainable value creation.



IDENTIFY RISKS
MEASURE & TRACK
REPORT TRANSPARENTLY
IMPROVE & CREATE VALUE



Integrated ESG risk management, measurement and reporting drive sustainable cities and resilient communities.

Please refer to the Notes for the details





THE ESG PILLARS IN URBAN PLANNING



ENVIRONMENTAL

Protect natural resources, reduce emissions, build climate resilience, enhance biodiversity and green infrastructure.



SOCIAL

Create inclusive, healthy, safe and vibrant communities with equitable access to housing, mobility and services.



GOVERNANCE

Ensure transparent, accountable and participatory decision-making with strong institutions and ethical governance.

Sustainable Cities. Better Lives. Stronger Future.

GOVERNANCE (G) INDICATORS FOR ESG MATERIALITY ASSESSMENT

IN URBAN PLANNING



MATERIAL ISSUE		INDICATOR	UNIT OF MEASUREMENT	
	PUBLIC PARTICIPATION	Number of stakeholder engagement sessions		Sessions/year
		Stakeholder participation rate		%
	TRANSPARENCY	Public disclosure of planning documents		% available online
	REGULATORY COMPLIANCE	Planning compliance rate		%
	ANTI-CORRUPTION	Corruption complaints investigated		Cases/year
	GOVERNANCE EFFICIENCY	Planning approval processing time		Days
	ACCOUNTABILITY	ESG reporting frequency		Reports/year
	DATA TRANSPARENCY	Open data availability		% datasets published
	INSTITUTIONAL CAPACITY	Staff trained in ESG and sustainability		% of staff
	RISK MANAGEMENT	Climate risk assessments completed		Number



Strong governance drives transparent, accountable and resilient urban development, building trust and long-term value for communities.



Engaged Stakeholders



Transparent Processes



Compliant & Ethical



Efficient Governance



Resilient Cities



Open Data, Better Decisions

GOVERNANCE (G) INDICATORS FOR ESG MATERIALITY ASSESSMENT IN URBAN PLANNING

Measuring governance performance, transparency, accountability and institutional capacity for sustainable urban development



MATERIAL ISSUE	INDICATOR	UNIT OF MEASUREMENT
 PUBLIC PARTICIPATION	- Number of stakeholder engagement sessions - Stakeholder participation rate	 Sessions/year  %
 TRANSPARENCY	Public disclosure of planning documents	 % available online
 REGULATORY COMPLIANCE	Planning compliance rate	 %
 ANTI-CORRUPTION	Corruption complaints investigated	 Cases/year
 GOVERNANCE EFFICIENCY	Planning approval processing time	 Days
 ACCOUNTABILITY	ESG reporting frequency	 Reports/year
 DATA TRANSPARENCY	Open data availability	 % datasets published
 INSTITUTIONAL CAPACITY	Staff trained in ESG and sustainability	 % of staff
 RISK MANAGEMENT	Climate risk assessments completed	 Number

WHY IT MATTERS

-  Builds trust and stakeholder confidence
-  Ensures transparent and fair decision-making
-  Improves governance efficiency and performance
-  Supports sustainable, resilient and low-carbon cities
-  Strengthens accountability and long-term value

Strong governance is the foundation for sustainable, inclusive and resilient cities.



Transparent



Accountable



Participatory



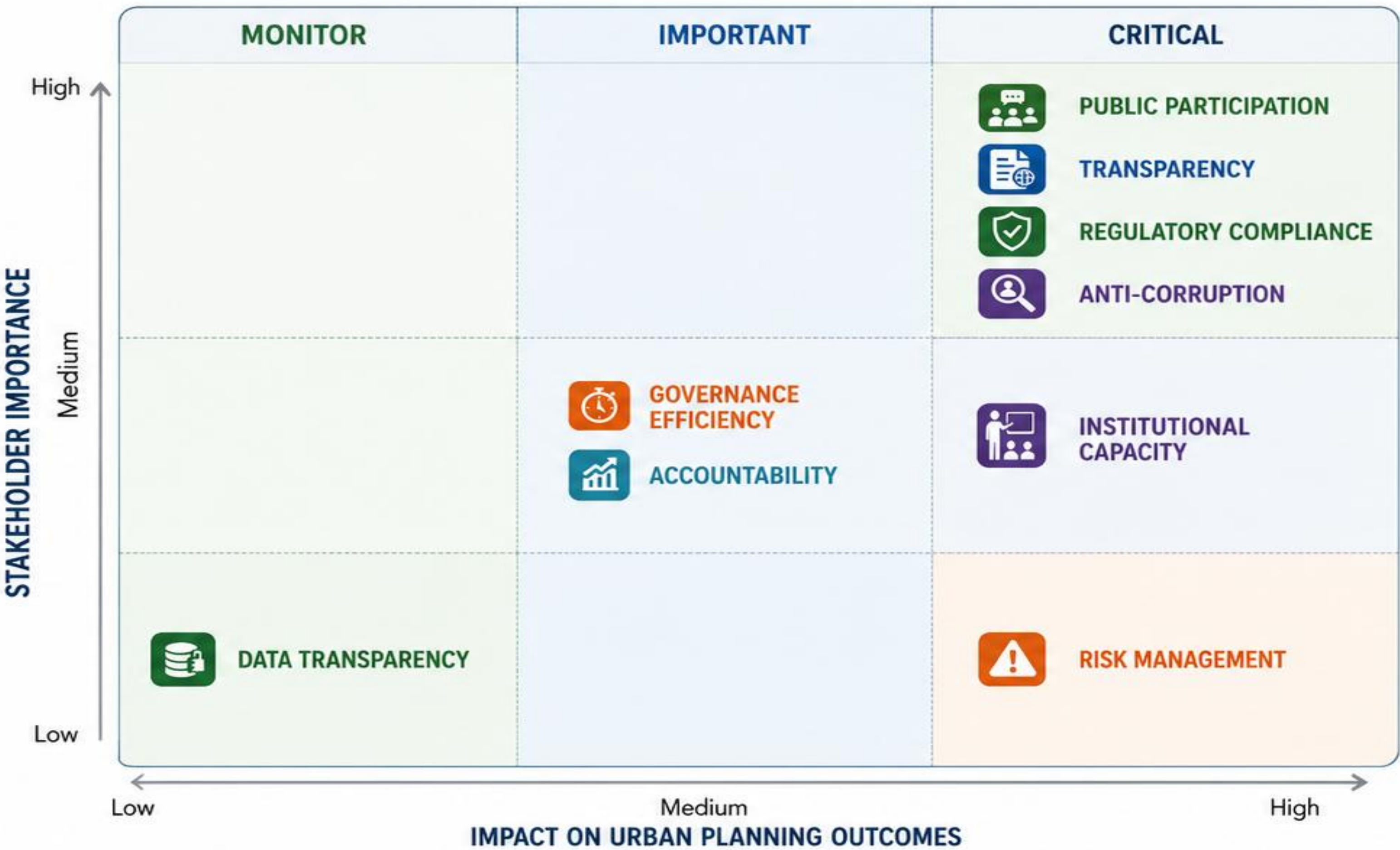
Efficient



Sustainable

GOVERNANCE ESG MATERIALITY MATRIX FOR URBAN PLANNING

The matrix assesses the relative importance of Governance ESG topics based on Stakeholder Importance and Impact on Urban Planning Outcomes.



GOVERNANCE INDICATORS	
	PUBLIC PARTICIPATION Engaging stakeholders in planning processes to build trust and inclusivity
	TRANSPARENCY Ensuring open disclosure of planning documents and decisions
	REGULATORY COMPLIANCE Upholding laws, policies, and standards in urban planning
	ANTI-CORRUPTION Preventing and addressing corruption in planning and approvals
	GOVERNANCE EFFICIENCY Improving time and process efficiency in approvals and service delivery
	ACCOUNTABILITY Ensuring responsible use of resources and answering to stakeholders
	DATA TRANSPARENCY Providing open access to relevant planning and performance data
	INSTITUTIONAL CAPACITY Building staff skills and organizational capability for ESG and sustainability
	RISK MANAGEMENT Identifying and managing climate and governance related risks

CRITICAL
High importance, high impact

IMPORTANT
Moderate importance and/or impact

MONITOR
Lower importance and impact

Engaged Stakeholders

Transparent Processes

Compliant & Ethical

Efficient Governance

Resilient Cities

Open Data, Better Decisions

This matrix supports prioritization of governance ESG topics to strengthen transparent, accountable, and resilient urban development.



SCORECARDS

Measuring Progress. Driving Better Outcomes.

Scorecards are practical tools used to monitor, evaluate and communicate progress toward goals, enabling data-driven decisions and continuous improvement.



1

KEY CONCEPT OF SCORECARDS



Scorecards provide a clear and consistent way to measure performance, track progress against targets, and communicate results to support accountability and better decision-making.



Measure



Monitor



Communicate

2

DEFINITION AND EXPLANATION



A scorecard is a performance measurement tool that uses key indicators to assess progress toward objectives.

It includes:

- ✓ Clear indicators and targets
- ✓ Regular tracking and evaluation
- ✓ Rating or scoring system
- ✓ Visual presentation of results
- ✓ Action-oriented insights

3

APPLICATION IN URBAN PLANNING



Helps planners and decision-makers stay focused on goals and deliver measurable results for sustainable and liveable cities.

4

MALAYSIA CONTEXT EXAMPLE



Scorecards are used to monitor national and local planning agendas, such as:

- National Physical Plan 4** – tracking spatial strategies and development outcomes
- Local Plan Performance Scorecards** – monitoring KPIs at city and municipal levels
- MyCITY Indicators** – measuring urban well-being and quality of life
- Sustainability Scorecards** – assessing environmental and resilience performance

5

POLICY AND IMPLEMENTATION INSIGHT



Effective scorecards require:

- ✓ Relevant and measurable indicators
- ✓ Reliable data and systems
- ✓ Clear targets and benchmarks
- ✓ Stakeholder collaboration
- ✓ Regular reporting and feedback
- ✓ Using results for decision-making and continuous improvement



THE BOTTOM LINE

Scorecards turn data into action. They keep us accountable, improve performance, and help build better, sustainable communities.

BENEFITS OF SCORECARDS



Better visibility of progress



Stronger accountability



Evidence-based decisions



More efficient resource use



Increased public trust and engagement



Better outcomes for people and planet

GOOD SCORECARDS ARE:



FOCUSED



SIMPLE



MEASURABLE



ONGOING



IMPACTFUL



What gets measured, gets managed. What gets managed, gets better.





REPORTING

Inform. Track. Evaluate. Improve.

Reporting turns data and actions into information that drives accountability and better decisions.



1

KEY CONCEPT OF REPORTING



Reporting is the systematic process of collecting, analyzing, and sharing information on plans, activities, results, and performance to support decision-making, transparency, and accountability.



Collect Analyze Share

2

DEFINITION AND EXPLANATION



Reporting involves:

- ✓ Gathering accurate and relevant data
- ✓ Organizing and analyzing information
- ✓ Presenting findings in a clear, timely, and useful manner
- ✓ Communicating progress, challenges, and outcomes
- ✓ Supporting learning, improvement, and accountability

3

APPLICATION IN URBAN PLANNING



4

MALAYSIA CONTEXT EXAMPLE



Reporting is used in national and local initiatives such as:

- Local plans and structure plans progress reports
- Sustainable Development Goals (SDG) Malaysia progress reports
- Urban observatories and data dashboards (e.g., PLANMalaysia)
- District and city performance reporting
- Budget and project implementation reports

5

POLICY AND IMPLEMENTATION INSIGHT



Effective reporting requires:

- ✓ Clear reporting frameworks and standards
- ✓ Reliable data and digital systems
- ✓ Timely and regular reporting
- ✓ Transparency and open access to information
- ✓ Capacity building for staff
- ✓ Stakeholder and public engagement



THE BOTTOM LINE

Good reporting provides the right information to the right people at the right time—driving better planning, stronger accountability, and more liveable cities.



INFORM



TRACK



EVALUATE



IMPROVE

QUALITIES OF GOOD REPORTING



ACCURATE



TIMELY



RELEVANT



CLEAR



TRANSPARENT



ACCESSIBLE



EVALUATION

Measuring Impact. Improving Outcomes. Building Better Cities.

Evaluation assesses the relevance, effectiveness, efficiency, impact and sustainability of plans, policies and projects to ensure continuous learning and better decision-making.



MEASURE
what matters



LEARN
and adapt



IMPROVE
performance



PROMOTE
sustainability



DELIVER
better outcomes



1

KEY CONCEPT OF EVALUATION



Evaluation is a systematic process of assessing plans, policies and projects against specified criteria and indicators to determine performance, impact and value, and to inform improvements and future actions.



Assess



Understand



Improve



Sustain

2

DEFINITION AND EXPLANATION



Evaluation uses data and evidence to judge how well objectives are achieved, why results occur, and what can be done better.

It helps to:

- ✓ Assess relevance and results
- ✓ Identify strengths and weaknesses
- ✓ Support accountability and transparency
- ✓ Inform decisions and future planning

3

APPLICATION IN URBAN PLANNING



Supports data-driven decisions for sustainable, inclusive and resilient cities.

4

MALAYSIA CONTEXT EXAMPLE



Evaluation is embedded in national and local planning and development processes.

-  **PLANMalaysia Monitoring & Evaluation Framework** – tracks implementation of plans and policies
-  **Low Impact Development (LID) Monitoring** – evaluates sustainability outcomes
-  **MyCity Performance Indicators** – measures liveability and urban performance
-  **Local Plan reviews** – assess land use, infrastructure and community outcomes
-  **ESG assessments** – evaluate environmental, social and governance impacts

5

POLICY AND IMPLEMENTATION INSIGHT



Effective evaluation requires:

- ✓ Clear objectives and indicators
- ✓ Reliable data and robust methods
- ✓ Regular monitoring and assessment
- ✓ Stakeholder participation
- ✓ Transparency and reporting
- ✓ Use of findings for continuous improvement



THE BOTTOM LINE

Good evaluation turns evidence into action—helping planners and decision-makers create better places and deliver lasting impact.

BENEFITS OF EFFECTIVE EVALUATION



Better decisions and planning



Improved performance and value for money



Greater accountability and transparency



Stronger sustainability and resilience



Higher public trust and engagement



Continuous learning and improvement

PRINCIPLES OF GOOD EVALUATION



RELEVANT



RIGOROUS



INCLUSIVE



TRANSPARENT



USEFUL



EVALUATE TODAY. IMPROVE TOMORROW. BUILD BETTER CITIES FOR ALL.

Evidence • Learning • Improvement • Impact



VII. Real-World Application and Stakeholder Impact



LEADING THE WAY
KHALĪFAH • AMĀNAH • IQRA' • RAḤMATAN LIL-ĀLAMĪN



VII. Real-World Applications and Stakeholder Impact

- **Case Studies:**

Singapore: Independent planning authority with transparent zoning to reduce disputes.

Copenhagen: Empowering citizens with oversight authority to audit green urban projects.

Toronto: Detailed reporting on governance and workplace culture diversity

- **Who is Affected:** ESG implementation impacts local communities (quality of life), businesses (innovation vs. regulation), and governments (enhanced public trust).

SINGAPORE: Key Outcomes



Independent
Planning
Authority



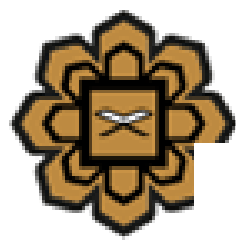
Transparent
Zoning



Reduces
Disputes



Please refer to Notes Governance
ESG for the details



Our Planning Process



Long-Term Plan Review



Master Plan

Case Study: Governance in Urban Planning

Kindly analyse the citizen involvement in governance for urban planning, drawing insights from the Copenhagen Framework on Citizen Data.



Inclusive Participation

Empowers diverse groups to contribute to urban planning decisions through accessible data.



Trust and Transparency

Strengthens trust in governance through open, ethical, and accountable data practices.



Evidence-Based Decision Making

Enables planners to use real-world insights for data-driven, context-sensitive urban solutions.



Equity and Inclusion

Addresses data gaps and ensures no one is left behind in urban development processes.

20 March 2024

SHARE THIS



The Copenhagen Framework on Citizen Data for a More Inclusive Data Ecosystem



The Copenhagen Framework promotes responsible citizen data practices that enhance participation, trust, and inclusive urban governance. Applying it in urban planning can lead to smarter, fairer, and more resilient cities.

Copenhagen Citizen Oversight



Citizens are empowered with oversight authority, enabling them to audit green urban projects, ensuring transparency and standard compliance.



Strengthened Trust & Efficiency



Enhanced transparency fosters greater public trust.



Increased efficiency is achieved through standard compliance and citizen feedback.



Please refer to Notes Governance ESG for the details

- Example of Governance – ESG in Urban Planning Measures

Please refer to Notes Governance ESG for the details





Material ESG Factors

Material Environmental Factors

- Climate Change
- Resilience



Material Social Factors

- Human Rights
- Public Health & Essential Services
- Social Inclusion
- Social Empowerment and Advancement
- Economic Inclusion



Material Governance & Workplace Culture Factors

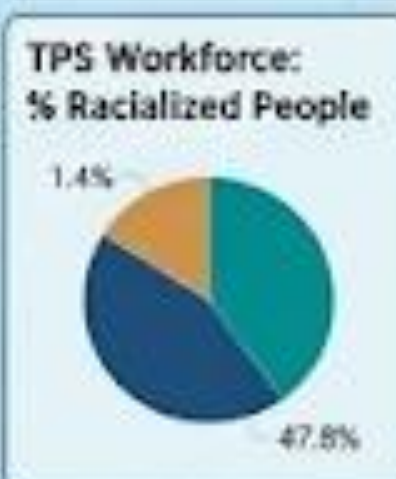
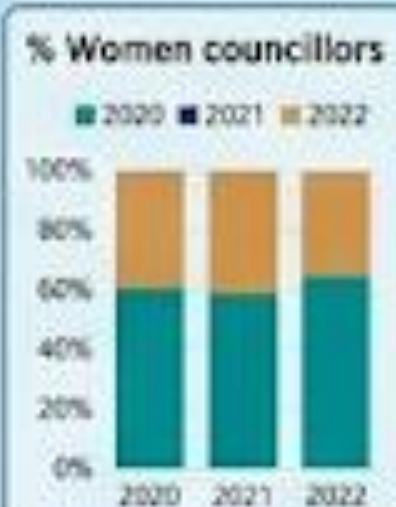
- Responsible Governance Practices
- Financial Governance
- Conduct and Trust
- Risk Management
- Cyber Security & Privacy
- Inclusion and Diversity
- Health and well-being
- Talent Attraction, Engagement and Retention
- Digital Enablement
- Responsible Procurement and supplier diversity



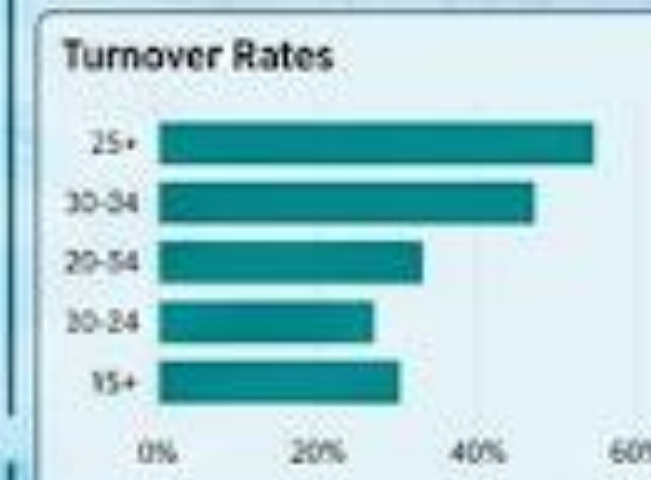
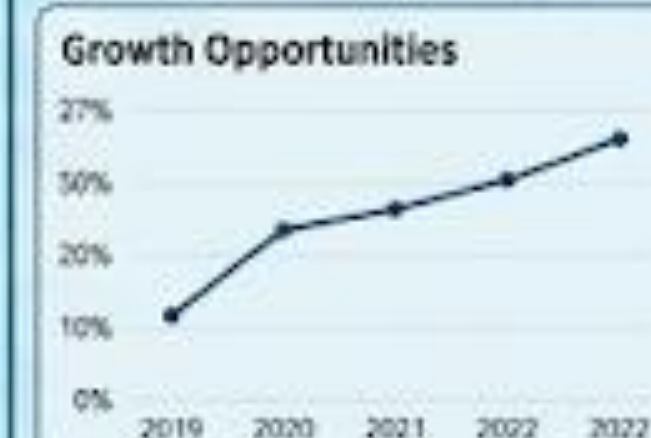
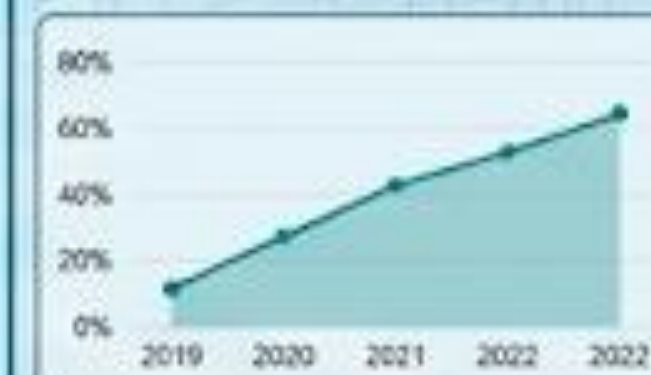
Material Socially Responsible Financing

Material Socially Responsible Investing





Governance and Workplace Culture				
Engagement of Decision Makers	City Councillor attendance	94%	95%	92%
Governance: Decision Making - be diverse and inclusive	% Women councillors	31%	31%	31%
	% Women Senior Management (Division Head or Above)	43%	41%	44%
	% Racialized Senior Management (Division Head or Above)	22%	14%	21%
Reflect diversity and be inclusive of the city we serve	TPS Workforce:			
	% Women	50.3%	49.3%	49.4%
	% Racialized People	47.8%	38.0%	37.2%
	% Indigenous Peoples	1.4%	1.4%	1.3%
	% Persons with Disabilities	5.7%	5.3%	2.3%
	% LGBTQ2S+	4.2%	3.5%	3.4%
Attract & retain a diverse and inclusive workforce	Turnover Rates:			
	All Active Employees (excl. Toronto Recreation Division Workers)	11.8%	7.9%	8.1%
	Growth Opportunities:			
	Promotion and Internal Hires (% Total Hires)	23%	26%	27%

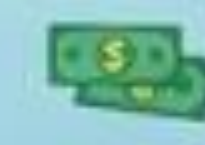


*2019 was under the former Housing Plan 2010-2020 which used different metrics



Part 1 - ESG Assessment Framework: Sectors and Indicators

Governance - ESG

Human Resources	Governance Effectiveness	Gender	Participation
			
Adequacy of ULB Staff 	Housing for All 	Proportion of Women Police Personnel 	Voter Turnout 
Gender Equality 	Availability of Police Personnel 	Economic Empowerment of Women 	Local Representation 
Leadership Stability 	Citizen Charter 		Community Involvement 
Establishment Expenditure vs Total Human Resources	Establishment Expenditure vs Total Human Resources 		

Kuala Lumpur City Hall Sustainability Effort

DBKL (Kuala Lumpur City Hall) focuses its sustainability efforts on achieving net-zero emissions by 2050, guided by the Kuala Lumpur Climate Action Plan 2050 (KLCAP2050) and KL Energy Management Plan 2050.

Key strategies include enhancing energy efficiency in buildings, expanding green spaces (currently 9.5% of the city), and strengthening flood resilience.



KEY SUSTAINABILITY FRAMEWORKS & INITIATIVES

- 

KL Climate Action Plan 2050 (KLCAP2050):
Addresses rising temperatures and flood risks, aiming to reduce carbon emissions by up to 180,000 tons over 25 years through the Energy Management Plan 2050.
- 

Kuala Lumpur Low Carbon Society Blueprint 2030 (KL LCSBP 2030):
Aims to reduce greenhouse gas emissions by 70% by 2030 through sustainable transportation and energy, according to the summary on the DBKL website.
- 

Kuala Lumpur SDG City Roadmap 2030:
Localises the UN Sustainable Development Goals, focusing on affordable housing, flood mitigation, and waste management, outlined in the Voluntary Local Review 2022.
- 

Kuala Lumpur Smart City Master Plan 2021-2025:
Integrates technology to foster a liveable, sustainable city, as described in the master plan on the DBKL website.
- 

Kuala Lumpur Local Plan 2040 (KLLP2040):
Guides long-term sustainable development, as detailed in Volume 1 of the KLLP2040.



LOW CARBON



RESILIENT



INCLUSIVE



SUSTAINABLE

LEADING THE WAY
KHALIFAH • AMĀNAH • IQRA' • RAHMATAN LIL-ĀLAMIN



Who Will Be Affected by ESG Implementation?



- **Local Communities:** Improved access to resources and enhanced quality of life through sustainable practices.



- **Businesses:** Need to adapt to new regulations, potential increased operational costs, and opportunities for innovation.



- **Governments:** Greater responsibility for developing and enforcing ESG-related policies, enhancing public trust.



- **Investors:** Shift towards sustainable investments and increased demand for transparency.



- **Employees:** Changes in workplace culture and potential job creation in green sectors.

ENTITY / INFLUENCES	 LOCAL COMMUNITIES	 BUSINESSES / DEVELOPERS	 GOVERNMENTS / LOCAL AUTHORITIES	 INVESTORS / FINANCIAL INSTITUTIONS	 EMPLOYEES / PLANNING PROFESSIONALS
LOCAL COMMUNITIES	—	▶ Provide land, social licence to operate ▶ Influence market demand	▶ Engage in planning processes ▶ Hold accountable through feedback & participation	▶ Influence investment priorities via community expectations ▶ Support ESG-aligned projects	▶ Voice needs & aspirations ▶ Participate in co-creation of plans
BUSINESSES / DEVELOPERS	▶ Create jobs & economic opportunities ▶ Provide services & infrastructure	—	▶ Comply with regulations & plans ▶ Pay fees, taxes & contribute to local development	▶ Seek financing for ESG-compliant projects ▶ Disclose ESG performance	▶ Employ talent ▶ Collaborate in sustainable design & innovation
GOVERNMENTS / LOCAL AUTHORITIES	▶ Provide services, infrastructure & livable environment ▶ Ensure equity & inclusion	▶ Set regulations, policies & standards ▶ Approve plans & projects ▶ Provide incentives / enforcement	—	▶ Create enabling policy environment ▶ Provide transparency & data for decision-making	▶ Provide leadership, resources & capacity building ▶ Define roles & accountabilities
INVESTORS / FINANCIAL INSTITUTIONS	▶ Fund community projects & green initiatives ▶ Support inclusive growth	▶ Provide capital for sustainable projects ▶ Require ESG risk management & returns	▶ Finance public infrastructure & urban resilience ▶ Influence policy through engagement	—	▶ Invest in skills development & capacity building ▶ Attract & retain ESG-aware talent
EMPLOYEES / PLANNING PROFESSIONALS	▶ Facilitate participation & understanding ▶ Translate needs into plans & solutions	▶ Provide technical expertise & innovative solutions ▶ Improve project sustainability	▶ Support evidence-based policy & decision-making ▶ Implement plans & monitor outcomes	▶ Provide ESG data & impact reporting ▶ Demonstrate project value & risks	—

RELATIONSHIP KEY



Collaborates /
Partners with

Regulates /
Sets Policies

Provides Funding / Investment



Provides Data / Report



Provides Services / Benefits



Engages / Influences

Outcome:

Effective governance through collaboration, accountability, transparency and shared value creation for sustainable cities.

VIII. Conclusion: Why Governance Matters

VIII. Conclusion: Why Governance Matters

Strong governance turns written plans into **resilient realities**.

It ensures urban development benefits the community as a whole, addresses climate risks through ethical oversight, and reflects core values like **stewardship (amanah)**.

Why Governance Matters Today



Ensures urban development
benefits communities, not only developers



Addresses climate risk and
inequality through ethical oversight



Reflects stewardship values (e.g.,
amanah) and accountability principles



Reinforced by policies linking public
funding to good local governance



Strategies for Companies Contribute to The Success of ESG in Urban Planning



04



Stakeholder Engagement: Actively involving community members in decision-making processes to ensure that projects meet local needs and foster social equity.

05



Transparency and Reporting: Committing to transparent reporting on ESG goals and progress, which builds trust and accountability within the community.

06



Innovation: Developing new technologies or services that promote sustainability, such as smart city solutions or energy-efficient building materials.

STRATEGIES FOR COMPANIES CONTRIBUTE TO THE SUCCESS OF ESG IN URBAN PLANNING

01



Sustainable Practices:

Implementing eco-friendly practices in their operations, such as reducing waste and energy consumption, can help set industry standards and influence local policy.

02



Partnerships:

Collaborating with local governments, NGOs, and community organizations to develop projects that address social equity and environmental sustainability.

03



Investment in Green Infrastructure:

Funding or participating in the development of green spaces, renewable energy projects, and sustainable transportation systems that enhance urban resilience.



Malaysia's first **EDGE Zero Carbon** development

Gamuda Cove Wetlands Arboretum Centre (WAC) is Malaysia's first development to have earned the EDGE Zero Carbon certification. The centre exemplifies sustainable development by integrating conservation, education, and climate-conscious design. This milestone was celebrated and commended by representatives from the International Finance Corporation and the World Bank.

Key features of the arboretum include:



Operating with
100%
energy savings
against the baseline



Generating
ZERO
carbon emissions
from energy



Powered entirely by
on-site renewable
energy
14,076
kWh/year



Maintaining a low
energy intensity of
31
kWh/m²/year

This recognition not only marks a significant milestone in Gamuda's journey towards achieving net-zero carbon emissions by 2060 but also demonstrates how **smart infrastructure** can flourish alongside **ecological conservation**.



Malaysia

ESG Investment-ready Conditions



Climate

Policy-driven low-carbon transition



Energy

System-level energy transition



Waste

Structured but less circular



Strong frameworks, uneven execution



Smart Tech



Institutionalised



Fragmented smart city ecosystem

Institutionalised (SDG-based)

Stakeholders

THANK YOU

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