



STAKEHOLDER ENGAGEMENT PLAN (SEP)

MALAYSIA KIGALI IMPLEMENTATION PLAN (KIP) FOR HFC PHASEDOWN STAGE I

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LIST OF ABBREVIATIONS

AC	Air Conditioning
ASHRAE	American Society of Heating, Refrigerating & Air Conditioning Engineers
ATC	Authorized Training Center
BOMBA	Fire & Rescue Department
CO ₂	Carbon Dioxide
CSTP	Certified Service Technician Program
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EIA	Environmental Impact Assessment
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Safeguard
FAQ	Frequently Asked Questions
GHG	Greenhouse Gas
GRM	Grievance Redress Mechanism
GWP	Global Warming Potential
HCFC	Hydrochlorofluorocarbon
HFC	Hydrofluorocarbon
HFO	Hydrofluoroolefin
HPMP	Hydrochlorofluorocarbon Phase-out Management Plan
KA	Kigali Amendment
KIP	Kigali Implementation Plan
LMP	Labor Management Procedures
MAA	Malaysian Automotive Association
MAC	Mobile Air Conditioning
MACRA	Malaysia Air Conditioning & Refrigeration Association
MLF	Multilateral Fund
NGO	Non-Governmental Organization
NOU	National Ozone Unit
NRES	Ministry of Natural Resources and Environmental Sustainability
PMU	Project Management Unit
PPE	Personal Protective Equipment
PROTON	Perusahaan Otomobil Nasional
RAC	Refrigeration and Air Conditioning
SDG	Sustainable Development Goal
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SME	Small and Medium-sized Enterprise
SOP	Standard Operating Procedures
UNDP	United Nations Development Program

1 INTRODUCTION

1.1 BACKGROUND

Malaysia ratified the Vienna Convention and the Montreal Protocol on Substances that Deplete the Ozone Layer on 29 August 1989. It has acceded to all Montreal Protocol amendments which include the London Amendment (1990) on 5 August 1993; the Copenhagen Amendment (1992) on 3 November 1993; the 1997 Montreal Amendment; the 1999 Beijing Amendment; and, most recently the Kigali Amendment on 21 October 2020, which added hydrofluorocarbons (HFCs) as controlled substances under the Protocol, consistent with its policy to support international efforts to combat climate change.

As an Article 5 and Group 1 country under the Kigali Amendment, Malaysia is obligated to freeze the use of HFCs to not more than its baseline level by 2024 and gradually reduce consumption from this baseline by up to 80% by 2045 as shown in **Table 1.1**. Under Kigali Amendment, Group 1 country baselines are partly made up of average HFC consumption (imports plus production minus exports) in the years 2020-2022, plus 65% of its 2009-2010 HCFC baseline in CO₂eq (already known to be 8.2 million tons). The additional HCFC “headroom” is to account for the ongoing transition of Article 5 countries to HFCs from HCFCs that will be nearly eliminated by 2030. As Malaysia is not an HFC-producing country, it must ensure that its calculated level of consumption (imports minus exports) of controlled substances listed in Annex F and expressed in CO₂ equivalent, does not exceed the ceiling in each 12-month period.

Table 1.1 Kigali Amendment Obligations for Group 1, Article 5 Parties*

Target Year	Kigali Amendment HFC Phasedown Obligation
2024	Freeze at the baseline level
2029	10% reduction from the baseline
2035	30% reduction from the baseline
2040	50% reduction from the baseline
2045	80% reduction from the baseline

*Baseline Calculation: 2020, 2021, and 2022 Average Consumption of HFCs plus 65% of the HCFC Baseline in CO₂ eq.

Malaysia also receives financial assistance by the Montreal Protocol Multilateral Fund (MLF) to prepare and implement projects that support compliance. For HFC phasedown, the MLF Executive Committee agreed to provide funding to countries to prepare national phasedown plans termed “Kigali Implementation Plans (KIPs)”. Malaysia, through the Department of Environment (DOE) under the Ministry of Natural Resources and Environmental Sustainability (NRES) has completed its KIP and overarching strategy which when approved by the MLF and Cabinet respectively will become the basis for a new HFC phasedown project for the period 2024-2029, the Malaysia Kigali Implementation Plan for HFC Phasedown - Stage I Project.

Malaysia is proposing four stages for the KIP implementation. Stage I covering HFC phasedown commitments for the year 2024 to 2029, is proposed to be implemented by DOE simultaneously with its separate HCFC Phaseout Management Plan (HPMP) until 2030. Stage II is expected to cover a period of six years (from 2030 to 2035), Stage III is expected to cover

a period of five years (from 2036 to 2040), and Stage IV is expected to cover a period of five years until 2045.

1.2 PROJECT DESCRIPTION

The Malaysia Kigali Implementation Plan for HFC Phasedown - Stage I Project (hereinafter referred to as “**the Project**”) focuses on reducing hydrofluorocarbon (HFC) consumption through a combination of investment and non-investment activities. The Project encompasses three major investment projects aimed at supporting this transition.

First, a pilot conversion project will be conducted at an automobile manufacturing enterprise to replace mobile air-conditioning (MAC) units in a new vehicle model, transitioning from HFC-134a to the lower Global Warming Potential (GWP) HFO-1234yf. This conversion will showcase the feasibility of adopting alternative refrigerants in the MAC sector. Second, two small- and medium-sized enterprises (SMEs) producing stand-alone commercial refrigeration equipment will shift from using HFC-based refrigerants to R-290 and R-600a. This conversion will eventually contribute to the total phase-out of HFC in the commercial refrigeration sector. These conversions will be implemented at the existing manufacturing facilities of the participating enterprises, with the Project providing investment support for research and development (R&D), necessary design changes (including explosion-proof equipment and safety measures), training, and efforts to improve energy performance.

In addition to these investment projects, the Project includes several non-investment activities aimed at strengthening the overall capacity of the refrigeration and air-conditioning (RAC) servicing sectors. This includes initiatives to improve servicing for MAC, as well as commercial and domestic refrigeration, alongside technical assistance in transport refrigeration servicing and MAC servicing for public transport. Other key non-investment activities involve support in enhancing recovery and recycling, building capacity within customs and industry stakeholders, enforcing bans, and supporting ongoing project monitoring and coordination.

This holistic approach combines targeted investments with capacity building initiatives to ensure a smooth transition away from HFCs, supporting both environmental sustainability and industry readiness.

KIP Stage I and Project activities will be supported by implementation of six bans:

- (a) By 1 January 2026: a ban on the installation of new HFC-23 and HFC-125-based fire suppression systems; and
- (b) By 1 January 2029: a ban on the manufacture and import of HFC-based stand-alone commercial refrigeration equipment; a ban on the manufacture and import of HFC-based domestic refrigeration; a ban on the manufacture and import of HFC-134a-, R-452A-, and R-404A-based components for refrigerated transport; a ban on the manufacture and import of R-407C-based split AC and heat pumps; a ban on new installations of R-407C-based chillers.

The Project's structure consists of four (4) major components:

Component 1 – Investment in HFC Consumption Reductions

Component 1 will channel financial funding to three manufacturing enterprises involved in HFC consuming industries in Malaysia. Conversion activities will assist complete HFC phaseout in the selected stand-alone commercial refrigeration manufacturing enterprises and demonstrate or pilot safe and commercially viable HFC alternatives for MAC systems. Selection of eligible enterprises was based on applying a compliance model to prioritize phasedown according to criteria aligned with Kigali Amendment objectives including use of high-GWP HFCs where commercially viable alternatives exist; where high-GWP HFCs are growing to the point that it might impact compliance later in Kigali implementation; and where there is a subsector grouping that facilitates government regulation for example with a subsector ban on HFCs used.

Two manufacturers of refrigerated display cabinets and freezers in Malaysia will be supported to replace the use of HFC-134a and HFC-404A as refrigerants with a low GWP substance.

A Malaysian-owned car manufacturer will be supported to convert MAC units installed in new vehicles to a non-HFC refrigerant technology, HFO-1234yf. One automobile make and model will be targeted under the Project to introduce manufacturing with the HFC-134a alternative in Malaysia while monitoring the design changes, duration, technical challenges, and incremental cost changes all of which will be communicated and disseminated among other manufacturers in generic but sufficiently pertinent manner through the association and/or a technical working group.

Component 2 – Support for Reducing HFC Demand in Servicing

Component 2 focuses on reducing HFC demand in servicing sectors crucial to Malaysia's KIP Stage I and beyond. Five initiatives under this sector will be initiated under four subcomponents in order to address immediate emissions of HFCs to the atmosphere and improve HFC management in light of expected overall restrictions in supply of R-404A, R-407C, R-410A, R-452A and R-134a. These initiatives cover MAC servicing, commercial and domestic refrigeration servicing, transport refrigeration servicing, MAC servicing in public transport, and strengthening recovery and recycling efforts. This will be accomplished by starting to build the infrastructure for lifecycle management of HFCs, developing technical capacity of technicians in specific applications on maintaining energy performance, safe handling of flammable substitutes, and recovery and recycling, and assist the government establish an inventory and system to ensure efficient, longer-term supply of recycled R-407C for public transport while assess what is needed to change the network of rail and buses to lower-GWP alternatives.

Component 3 – Technical Assistance and Policy Support

This component will finance impact assessments to support proposed bans on certain substances, evaluating alternative technologies and their environmental, economic, and social impacts. Feasibility studies will focus on enhancing green public procurement and implementing mandatory MAC testing for passenger vehicles and building Customs capacity

through training workshops and equipment provision. Furthermore, industry capacity-building efforts will include workshops for manufacturers, sector-specific training sessions, study tours, and technical working group meetings on HFO-1234yf developments in the MAC sector. A market survey is planned (subject to additional MLF assistance) to assess the energy efficiency of stand-alone commercial refrigeration equipment and exploring the feasibility of implementing voluntary energy performance labelling and developing mandatory energy performance standards.

Component 4 – Project Management

This component will support:

- (a) the establishment and operations of a project management unit (PMU);
- (b) capacity building and support for project management, financial management, procurement, environmental and social management, and others as needed;
- (c) stakeholder engagement activities, including public awareness and outreach, inter-agency coordination and consultations, and the operation of a grievance redress mechanism (GRM);
- (d) support for coordinating annual consumption verification audits; and
- (e) project progress monitoring and reporting

1.3 PURPOSE AND SCOPE OF STAKEHOLDER ENGAGEMENT PLAN (SEP)

This Stakeholder Engagement Plan (SEP) has been prepared in accordance with the World Bank's Environmental and Social Framework (ESF), specifically meeting the requirements of Environmental and Social Standard 10 (ESS10) on Stakeholder Engagement and Information Disclosure. The SEP is designed to ensure that stakeholders are provided with timely, relevant, understandable, and accessible information, and that consultations are conducted in a culturally appropriate manner, free from manipulation, interference, coercion, discrimination, or intimidation.

1.3.1 Purpose of SEP

The primary purpose of this SEP is to outline a structured approach for engaging with all stakeholders throughout the Malaysia Kigali Implementation Plan for HFC Phasedown – Stage I Project. The SEP aims to:

- **Promote Transparency and Inclusivity:** Facilitate active participation from stakeholders, including government bodies, industry representatives, local communities, and vulnerable groups, ensuring all voices are heard and considered.
- **Manage Environmental and Social Impacts:** Provide a mechanism to identify and address potential environmental and social risks through open dialogue and collaborative decision-making.
- **Enable Feedback and Grievance Mechanism:** Establish a clear system for stakeholders to raise concerns, provide feedback, or make complaints about project activities, ensuring their issues are addressed in a timely and transparent manner.

- **Ensure Compliance with ESS10:** Adhere to World Bank standards for effective stakeholder engagement and information disclosure throughout the project lifecycle.

1.3.2 Scope of the SEP

The SEP defines the stakeholder engagement program, covering public information disclosure, consultation, and continuous engagement during all phases of the Project. Its key elements include:

Stakeholder Identification	Identifying all relevant stakeholders with direct or indirect interests in the Project, such as government agencies, industry players, NGOs, local communities, and small enterprises.
Engagement Methods	Outlining various engagement strategies, including public consultations, workshops, focus groups, and surveys, ensuring communication is inclusive and tailored to the needs of different stakeholder groups.
Information Disclosure	Ensuring that project-related information is disclosed in a timely, transparent, and accessible manner through appropriate platforms such as websites, public forums, and community outreach activities, in compliance with ESS10 requirements.
Grievance Mechanism	Establishing a formal mechanism for stakeholders to submit feedback or complaints, providing a process for timely resolution of concerns related to project activities.
Monitoring and Reporting	Continuous monitoring of stakeholder engagement activities will be conducted, and regular progress updates will be provided to ensure transparency and build trust.

This SEP is a living document and can be updated as necessary during Project implementation to reflect adaptive management of the Project changes, unforeseen circumstances, or in response to Project performance. Regular reviews will ensure the SEP remains relevant and effective in fostering meaningful stakeholder engagement.

2 POLICY AND LEGAL REQUIREMENTS

This chapter outlines the legal and policy frameworks that mandate and guide stakeholder engagement for the Project. These requirements ensure that all stakeholders are adequately informed, consulted, and involved throughout the project lifecycle. The following sections detail the legal obligations and best practices related to stakeholder engagement.

2.1 NATIONAL POLICY AND LEGAL FRAMEWORKS

While stakeholder engagement, particularly public consultation, is not explicitly mandated by any specific law, it is implicitly referenced in several key legislative frameworks. The Environmental Quality Act 1974 highlights the importance of public participation in the Environmental Impact Assessment (EIA) process, as outlined in Section 34A of the Act. Although the HFC Phasedown – Stage I Project is not subject to EIA requirements, the principles of transparency and community engagement remain crucial.

As the implementing agency, the DOE, which enforces the Environmental Quality Act 1974, will oversee the Project. Although the Project's activities do not require a formal EIA, enterprises involved in the Project are encouraged to consult and disclose information to the government and local communities. This ensures smooth implementation and fosters coordination with local stakeholders.

2.2 MALAYSIA'S COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Malaysia is committed to achieving the Sustainable Development Goals (SDGs), SDG 17 – Partnerships for The Goals emphasizes the importance of multi-stakeholder engagement in advancing sustainable development. This aligns with the objectives of the Kigali Amendment Implementation Plan (KIP) for the HFC Phasedown – Stage I Project, which rely on strong partnerships across various sectors, including government agencies, the private sector, civil society, and international organizations.

The Project's stakeholder engagement activities are designed to foster these partnerships, promoting effective collaboration and coordination among key stakeholders. By bringing together diverse expertise and resources, these partnerships play a vital role in reducing HFC consumption, advancing climate goals, and supporting Malaysia's broader sustainable development goals. Additionally, shared knowledge, capacity building, and transparent monitoring further strengthen the effectiveness of the Project and ensure the success of the HFC phasedown initiatives.

2.3 WORLD BANK REQUIREMENTS FOR STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE (ESS10)

The World Bank's Environmental and Social Framework (ESF) includes the Environmental and Social Standard (ESS) – ESS10 Stakeholder Engagement and Information Disclosure,

which recognizes the importance of open and transparent engagement between the fund Recipient and project stakeholders as an essential element of good international practice. ESS10 emphasizes that effective stakeholder engagement can significantly improve the environmental and social sustainability of projects, enhance project acceptability, and make a significant contribution to successful project design and implementation.

The main objectives of ESS10 are:

1. Establishing a systematic approach to stakeholder engagement will help the Recipient identify stakeholders and build and maintain constructive relationships with them, particularly those affected by the particular project.
2. To assess the level of stakeholder interest and support for the project and allow stakeholder perspectives to be taken into account in project design and environmental and social performance results.
3. Promote and provide the means to engage effectively and comprehensively with project affected parties throughout the project lifecycle on issues that may affect them.
4. To ensure that pertinent project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible manner and in an appropriate manner and format.
5. Provide parties affected by the project with accessible and comprehensive means to raise issues and complaints and enable the Borrower to respond to and manage such claims.

2.3.1 Scope of Application

ESS10 applies to all projects supported by the World Bank through investment project financing. For purposes of this ESS, “stakeholder” refers to individuals or groups that: (a) are affected or likely to be affected by the project (parties affected by the project); and (b) may be interested in the project (other interested parties).

2.3.2 Requirement

The World Bank ESS10 on Stakeholder Engagement and Information Disclosure requires the implementing body to engage with stakeholders throughout the life cycle of the project, initiating such involvement as early as possible in the project development process and within a timeframe that allows for meaningful consultation with the parties related to project design. The nature, scope and frequency of stakeholder involvement will correspond to the nature and scale of the project as well as the potential risks and impacts of the project. The project will engage in meaningful consultations with all stakeholders. It will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, free from manipulation, interference, coercion, discrimination and intimidation. The project implementing agency shall maintain and disclose as part of its environmental and social assessment, documentation of stakeholder engagement, including a description of the stakeholders consulted, a summary of the response received, and a brief explanation of how the response was taken into account or the reasons why it was not be so.

ESS10 requires project implementing agencies to develop a Stakeholder Engagement Plan (SEP) corresponding to the nature and scale of the project as well as the potential risks and

impacts of the project (paragraph 13 – ESS10). Stakeholders must be identified and SEPs must be released for public review and comment as soon as possible before the project is appraised by the World Bank.

ESS10 also requires the development and implementation of a grievance resolution mechanism that allows parties affected by the project and others to raise concerns and provide feedback regarding the environmental and social performance of the project and for those concerns to be addressed in a timely manner.

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3 STAKEHOLDER IDENTIFICATION AND ANALYSIS

Project stakeholders are people and entities that have a role in the Project, or may be affected by the Project, or who are interested in the Project. Project stakeholders are defined as individuals, groups or other entities:

- (i) Being impacted or likely to be directly or indirectly, positively or adversely affected, by the Project (also known as '**affected parties**'); and
- (ii) May be interested in the Project ('**interested parties**'). They include individuals or groups whose interests may be affected by the Project and who have the potential to influence the outcome of the Project in any way.

Collaborating and negotiating with stakeholders throughout the Project development process also often requires identifying those within the team who act as legal representatives of their respective stakeholder group, i.e. individuals who have been entrusted by their team members with advocating for interest groups during their engagement with Project. Community representatives can provide useful insights into the local environment and serve as a key conduit for disseminating Project-related information and as a primary link of communication between the Project and target communities and their established networks. Verifying stakeholder representations remains an important task in establishing contact with community stakeholders. The legitimacy of community representatives can be verified by speaking informally with a random sample of community members and paying attention to their views on who might represent their interests in the most effective way.

3.1 METHODOLOGY

In order to meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- **Openness and life-cycle approach:** Public consultations for the project(s) will be arranged during the whole life cycle, carried out in an open manner, free of external manipulation, interference, coercion, or intimidation.
- **Informed participation and feedback:** Information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholder feedback, and for analyzing and addressing comments and concerns.
- **Inclusiveness and sensitivity:** Stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders at all times are encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups that may be at risk of being left out of project benefits, particularly women, the elderly, persons with disabilities, displaced persons, and migrant workers and communities, and the cultural sensitivities of diverse ethnic groups.

- **Flexibility:** If social distancing, cultural context (for example, particular gender dynamics), or governance factors (for example, high risk of retaliation) inhibits traditional forms of face-to-face engagement, the methodology should adapt to other forms of engagement, including various forms of internet- or phone-based communication.

For the purpose of effective and appropriate engagement, the stakeholders of the proposed project(s) can be divided into the following core categories:

1. **Affected parties** – persons, groups and other entities that are directly (actually or likely) affected by the project and/or have been identified as most vulnerable to project-related change and who need to be closely involved in determining the impacts and their importance, as well as in decision-making on mitigation and management measures;
2. **Other Interested parties** – individuals/groups/entities that may not be directly affected by the Project but who consider or perceive their interests to be affected by the Project and/or who may influence the Project and its implementation in some way; and

3.2 STAKEHOLDER ANALYSIS AND MAPPING

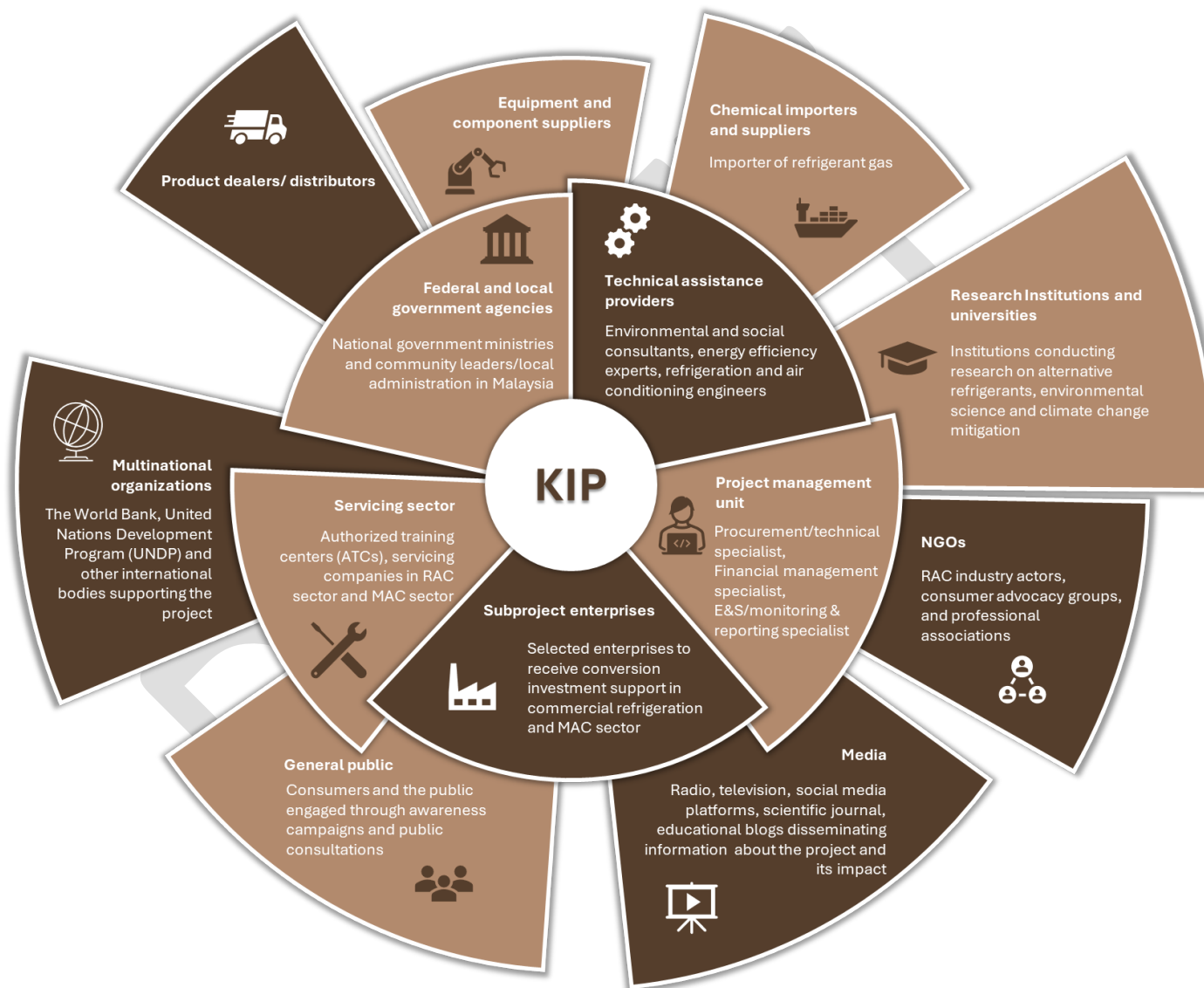
Since project stakeholders have a certain degree of influence over project design and implementation, it is important to understand,

- (a) Each stakeholder's interest in investments;
- (b) The impacts that the project will have on each stakeholder; and
- (c) Their influence on project design and implementation strategy

Under this project, stakeholders playing an important role in the preparation and implementation of the project include relevant government agencies at national and local levels, project enterprises, contractors, communities in the project area. These stakeholders benefit or are impacted by the project to varying degrees. Their interest in project investments also varies at different stages of the project cycle, and therefore these stakeholders have different degrees of influence over the project design and implementation process.

Figure 3.1 illustrates the key stakeholders and beneficiaries of the project (which implements the "KIP"), including the communities.

Figure 3.1 Stakeholder Mapping for the KIP under the Malaysia HFC Phasedown - Stage I Project



3.3 AFFECTED PARTIES

The affected parties under the KIP HFC Phasedown - Stage I project are those who will experience direct impacts and changes as a result of the project's implementation. These stakeholders are primarily engaged in the hands-on application, adaptation, and compliance with the new refrigerant standards and practices introduced by the Project.

3.3.1 Subproject Enterprises

These enterprises, which include commercial refrigeration manufacturers (Berjaya CKE and Zun Utara) and car manufacturer (PROTON), will be directly involved in implementing the project's conversion initiatives as specified under Project Component 1. They will receive investment support aimed at facilitating the transition to alternative refrigerants and enhancing safety measures.

After the conversion project, these enterprises may face changes in their operations due to the transition to flammable and mildly flammable refrigerants. This shift requires technological upgrades, process adjustments, safety protocols, and compliance and certification efforts. They will need to implement new refrigeration technologies compatible with alternative refrigerants, which might include modifying existing equipment or installing entirely new systems. Additionally, they must adapt current manufacturing and servicing processes to accommodate the properties of new refrigerants, which can differ from HFCs in terms of pressure, temperature, and flammability. Establishing stringent safety protocols to handle the increased risks associated with flammable refrigerants is crucial. This includes developing and enforcing new standard operating procedures (SOPs) for handling, storage, and transportation of these substances.

Employees of these enterprises are directly affected by the transition, particularly in terms of occupational health and safety practices. They will need comprehensive training to handle flammable materials safely, covering the properties of the new refrigerants, proper handling techniques, emergency response procedures, and the use of personal protective equipment (PPE). There is a heightened emphasis on health and safety standards, necessitating regular health checks, monitoring for potential exposure to hazardous substances, and ensuring a safe working environment.

3.3.2 Servicing Sector

The servicing sector, which includes authorized training centers (ATCs) and servicing centers specializing in refrigeration and mobile air conditioning, plays a crucial role in the successful implementation of the project. These entities will be responsible for training technicians to handle the new flammable and mildly flammable refrigerants safely and to promote recovering and recycling. Technical assistance such as training tools and servicing kits will be provided to the servicing sector under Project Component 2.

Technicians in the servicing sector will need to undergo extensive training to become proficient in handling the new refrigerants and to comply with enhanced safety protocols. This training will include both theoretical and practical components to ensure technicians can manage the associated risks. The sector may also face the need for investment in new tools and safety

equipment to support the proper handling of these refrigerants. Additionally, the servicing sector will play a pivotal role in educating end users about the safe use and maintenance of their refrigeration and air conditioning systems.

3.3.3 Project Management Unit

Operating within NRES's jurisdiction, the Project Management Unit (PMU) established under the Ozone Protection Section (OPS) within Department of Environment (DOE) takes the lead in implementing the Stage I KIP and its project, the HFC Phasedown – Stage I Project. The PMU translates DOE's directives into practical actions, overseeing the management and coordination of project activities. It leverages its expertise and experience from past Montreal Protocol phase out activities to ensure that the project adheres to Malaysian environmental regulations and the ESF and ESSs as outlined in the KIP.

The PMU, consists of specialists in procurement, financial management, environmental and social monitoring and reporting, ensures that the project is well-coordinated, financially sound, and compliant with all relevant standards. Their role includes overseeing the project's progress, managing resources efficiently, and ensuring that all activities are aligned with the project's objectives.

3.4 OTHER INTERESTED PARTIES

Other interested parties in the KIP for HFC Phasedown – Stage I Project are stakeholders who, while not directly impacted by the project's operational activities, play critical roles in supporting, regulating, and facilitating the project's success. These stakeholders include government agencies, technical experts, and various organizations whose collaboration and support are essential for the comprehensive execution of the Project.

3.4.1 Federal and Local Government Agencies

These agencies provide the necessary regulatory framework and policy support for the project's implementation. National ministries and local administrative bodies in Malaysia play a crucial role in enacting and enforcing regulations that promote the project's goals.

The Ministry of Natural Resources and Environmental Sustainability (NRES) through Department of Environment (DOE) holds a central role in overseeing the execution of the Stage I KIP and as such, the HFC Phasedown - Stage I Project whereby NRES will be the signatory of the project agreement with the World Bank (as a MLF Implementing Agency). NRES provides strategic direction and regulatory oversight to ensure that the project aligns with Malaysia's environmental priorities, as outlined in the KIP. Other relevant government agencies such as Department of Occupational Safety and Health (DOSH) and Fire and Rescue Department (BOMBA) are interested parties as they oversee and regulate occupational health and safety standards. They are involved in approving project plans and ensuring compliance with regulations. They also offer community leadership, ensuring that local needs and perspectives are integrated into the Project.

3.4.2 NGOs

Non-governmental organizations (NGOs) play a multifaceted role in the Project by advocating for environmental protection, consumer rights, and industry best practices. They act as watchdogs, ensuring that the project adheres to its stated environmental and social goals. Associations representing the refrigeration and air conditioning sectors such as ASHRAE Malaysia (MASHRAE), Malaysian Air Conditioning and Refrigeration Association (MACRA) and Malaysian Automotive Association (MAA), may have an interest in the project's implications for industry practices and standards. NGOs engage with various stakeholders, including the public, government agencies, and industry players, to promote transparency and accountability. They may provide input on industry-specific challenges and opportunities associated with the transition to flammable refrigerants. They also run awareness campaigns to educate consumers about the benefits of sustainable RAC technologies and practices. By representing the interests of the community and the industry, NGOs ensure that the Project remains aligned with broader societal goals and values.

3.4.3 Multinational Organizations

Institutions like the World Bank and the United Nations Development Program (UNDP) which both serve as MLF implementing agencies are pivotal in the support and success of MLF-financed national plans to phase out or phase down controlled substances under the Montreal Protocol. The World Bank is the sole implementing agency of the KIP initiative, focusing on the phase-down of HFCs. This involvement brings in international expertise, funding, and resources, ensuring the project benefits from global best practices and adheres to international standards. The World Bank provides not only financial assistance but also technical support and strategic guidance, helping to align the project's objectives with broader global environmental goals, particularly those concerning climate change mitigation.

Meanwhile, the UNDP is engaged in a simultaneous but separate project aimed at the phase-out of HCFCs (ozone depleting substances) in Malaysia. It is the sole MLF implementing agency responsible for the HPMP. UNDP's role includes channelling funds for technical assistance, capacity building, and policy support to ensure a successful transition away from HCFCs, which are also harmful to the ozone layer. This parallel effort complements the KIP and HFC Phasedown project by addressing another significant environmental concern.

3.4.4 General Public

The factories of the subproject enterprises (Berjaya CKE, Zun Utara, and PROTON) are located in designated industrial areas and have complied with Malaysia's environmental regulations. The planned upgrades involve integrating new mechanical equipment designed to enhance operational efficiency and safety, without causing negative environmental impacts on the surrounding areas. While Malaysian regulations and the ESF do not require direct consultation with local communities for these specific upgrades, it is encouraged that enterprises disseminate information to neighboring households and local authorities to foster support and coordination during the project implementation.

Engaging the general public is critical for the project's acceptance and overall success. Public awareness campaigns and consultations ensure that consumers are informed about the

environmental benefits of the project and the need for sustainable practices in the RAC and MAC sectors. While not directly impacted, consumers who use products containing refrigerants may have an interest in the project's outcomes. They may benefit from increased energy efficiency and reduced GHG emissions resulting from the project's implementation. By educating and involving the public, the project fosters a community-wide commitment to its goals, encouraging individuals to support and adopt more environmentally friendly technologies.

3.4.5 Media

The media acts as the communication bridge between the Project and the general public. Through various platforms such as radio, television, social media, scientific journals, and educational blogs, the media disseminates crucial information about the project's goals, progress, and impacts. This widespread coverage helps in raising public awareness, shaping perceptions, and encouraging community participation. Effective media communication ensures that the Project gains visibility and public support, which are essential for its success.

3.4.6 Product Dealers/ Distributors

Product dealers and distributors serve as a pivotal link between manufacturers and end-users in the refrigeration and automobile market. Their primary responsibility is to ensure that products are readily available to consumers, contractors, and service companies. By managing inventories and logistics, they facilitate the efficient distribution of components and systems essential for refrigeration and mobile air conditioning operations. Their role extends beyond simple sales; they provide valuable market feedback to manufacturers, help in the promotion of new technologies, and often offer after-sales support and services.

3.4.7 Equipment and Component Suppliers

Equipment and component suppliers are at the heart of innovation in the refrigeration and mobile air conditioning industry. They are responsible for the design, manufacture, and improvement of the various parts that constitute refrigeration and MAC systems. This includes compressors, condensers, evaporators, and other essential components. These suppliers must continuously innovate to improve energy efficiency, reduce environmental impact, and comply with evolving regulations. By investing in research and development, they ensure that the latest technologies are incorporated into the market, supporting the broader environmental objectives of the project.

This category also includes specialized contractors who serve as both equipment suppliers and installers. They handle the installation and upgrading processes, ensuring correct integration and optimal operation of the new machinery. Additionally, they offer training and ongoing support to enterprise staff, ensuring the long-term efficiency and effectiveness of the equipment.

3.4.8 Chemical Importers and Suppliers

Chemical importers and suppliers are crucial stakeholders, particularly in the context of refrigerant management. They ensure the availability of refrigerants necessary for the

functioning of the refrigeration and air conditioning systems. Given the environmental impact of HFCs, their role includes sourcing and supplying alternative low GWP refrigerants that comply with international standards and regulations. They are also responsible for educating the market about the proper handling and usage of these chemicals to minimize environmental risks.

3.4.9 Research Institutions and Universities

Research institutions and universities are instrumental in driving the scientific and technological advancements required for the Project. These academic bodies conduct essential research on alternative refrigerants and Refrigeration and Air Conditioning (RAC) technologies. Their studies provide the evidence base needed to develop and implement new technologies and policies. By engaging in collaborative research with industry partners, they help bridge the gap between theoretical research and practical applications. Their work also includes educating future engineers and technical experts, ensuring a continuous pipeline of skilled professionals who can support the long-term goals of the Project.

3.4.10 Technical Assistance Providers

Comprising environmental and social consultants and experts, energy efficiency experts, and refrigeration and air conditioning engineers, these professionals offer specialized knowledge and technical skills crucial for the project's success. They assist in designing and implementing effective solutions, ensuring that the project adheres to environmental and social standards and achieves its efficiency goals. Their expertise helps in overcoming technical challenges and optimizing project outcomes.

4 STAKEHOLDER ENGAGEMENT PROGRAM

4.1 SUMMARY OF STAKEHOLDER ENGAGEMENT DONE DURING PROJECT PREPARATION

During project preparation, the following public consultation meetings were conducted.

- **13th March 2024:** Held at Ixora Room, Department of Environment, with 18 participants (comprising mainly representatives from the three subproject enterprises - Berjaya CKE, Zun Utara, and PROTON, DOE, World Bank and consultant. Key issues discussed included ExCom approval, detailed costs, subgrant agreements, and the importance of preparing and implementing ESMPs and LMPs.
- **14th March 2024:** Held at Cempaka Room, Department of Environment, with 36 participants from various sectors, including servicing, Authorized Training Centers (ATCs), government agencies, NGOs, DOE, World Bank, consultant, and others. Discussions focused on inclusive communication channels, specific training modules for MAC and refrigeration sectors, safety concerns with HFO-1234yf, CSTP training requirements and costs, and gender equality in the servicing sector.
- **14th August 2024:** Held at Moxy Hotel, Putrajaya, with 28 participants from government agencies, NGOs, subproject enterprises, DOE, World Bank and consultant. The meeting aims to collect feedback and comments from various key stakeholders on the draft Environmental and Social (E&S) instruments prepared for the Project.

Photos of Consultations:



13th March 2024



14th March 2024



14th August 2024

Table 4.1 summarizes the key consultation meetings held with various stakeholders during Project preparation. The table highlights the feedback received, responses from the project implementation team, and the follow-up actions with respective timelines.

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Table 4.1 Summary of Consultation Meetings

Stakeholder	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team	Follow-up Action(s)/ Next Steps	Date to Complete Follow-up Action(s)
Subproject enterprises (Berjaya CKE, Zun Utara, and PROTON), DOE, World Bank, consultant	13 th March 2024	<ul style="list-style-type: none"> - Briefing on ExCom approval and detailed costs. - Confirmation of subgrant agreements for investment activities. - Emphasis on the importance of ESMP and LMP preparation and implementation. - Welcomed visits from the DOE/consultant and will facilitate the organization. 	<ul style="list-style-type: none"> - Acknowledged the strong understanding and cooperation from commercial refrigeration companies. - Confirmed that PROTON's 25 authorized service providers must be included in the ESMP. 	<ul style="list-style-type: none"> - Ensure that all 25 authorized service providers are included in the ESMP. - Plan and schedule visits from DOE/consultant to enterprises. 	By end of April 2024
Servicing companies, Authorized Training Centers (ATCs), Government agencies, NGOs, DOE, World Bank, consultant, and others	14 th March 2024	<ul style="list-style-type: none"> - Importance of inclusive communication channels. - Specific training modules for MAC and refrigeration sectors. - Concerns on safety issues with HFO-1234yf. - Inquiry on CO2 refrigeration training inclusion. - Discussion on CSTP training requirements and associated costs. - Gender equality and low female technician numbers. 	<ul style="list-style-type: none"> - Ensured inclusive communication by collecting details of missing stakeholders. - Agreed to draft sector-specific training modules. - Addressed safety concerns. - Confirmed inclusion of CO2 refrigeration training in future KIP stages. - Discussed gender barriers and potential separate meetings for women groups. 	<ul style="list-style-type: none"> - Compile a comprehensive list of all relevant stakeholders. - Draft sector-specific training modules. - Plan separate meetings with women groups. - Establish effective grievance reporting mechanisms. - Explore using both private and public ATCs. - Develop criteria for selecting RAC service technicians eligible for training. 	By mid-June 2024

Stakeholder	Dates of Consultations	Summary of Feedback	Response of Project Implementation Team	Follow-up Action(s)/ Next Steps	Date to Complete Follow-up Action(s)
Government agencies, NGOs, subproject enterprises (Berjaya CKE, Zun Utara, and PROTON), DOE, World Bank, consultant	14 th August 2024	<ul style="list-style-type: none"> - Concerns about relevance and exclusion of certain ESS, with requests for clear justifications and potential updates if project conditions change. - Suggestions for stronger gender mainstreaming efforts, with a focus on training female technicians and management, and clearer reporting on gender indicators. - Need for clarification on the handling of grievances, especially sexual harassment, with suggestions that enterprises handle such issues and notify the PMU. - Feedback on site-specific ESMPs, including compliance with waste and environmental regulations, and ensuring gender considerations in biannual progress reports. - Comments on LMP, ensuring compliance with labor laws, addressing sexual harassment, immigration issues, and removing references to child labor and irrelevant sectors. 	<ul style="list-style-type: none"> - Clarified ESS exclusions based on project scope. - Agreed on gender mainstreaming targets and improving grievance mechanisms. - Provided guidance on ESMP compliance and reporting requirements. 	<ul style="list-style-type: none"> - Review and finalize ESCP, gender notes, SEP, ESMPs, and LMP based on stakeholder feedback. - Engage Ministry of Women, Family and Community Development and Ministry of Human Resources for further consultations. 	By end of September 2024

4.2 SUMMARY OF PROJECT STAKEHOLDER NEEDS AND METHODS FOR STAKEHOLDER ENGAGEMENT

Table 4.2 presents different engagement methods proposed for various stakeholders involved in the KIP Stage I project, covering their unique needs. Each engagement method is tailored to address the specific needs of the stakeholder group, ensuring effective communication and collaboration within the KIP Stage I project.

Table 4.2 Summary of Stakeholder Needs and Engagement Methods

Stakeholder Group	Stakeholder Needs	Engagement Method
Federal and Local Government Agencies	Coordination with national and community leaders/local administration for policy and regulatory alignment	Formal meetings, structured agendas
Equipment and Component Suppliers	Technical and logistical discussions related to the supply chain and equipment standards	Focus group meetings/discussions, site visits
Chemical Importers and Suppliers	Compliance and regulatory discussions, import logistics of refrigerant gases	Formal meetings, one-on-one interviews
Research Institutions and Universities	Collaborative research opportunities and dissemination of scientific findings on alternative refrigerants and climate change mitigation	Focus group meetings/discussions, structured agendas
Technical Assistance Providers	Exchange of expertise in energy efficiency, environmental consulting, and engineering solutions	Structured agendas, focus group meetings/discussions
Project Management Unit	Efficient project coordination and management including procurement, financial management, and reporting	Formal meetings, structured agendas
Subproject Enterprises	Investment support and guidance for conversion projects in the refrigeration and MAC sectors.	Site visits, formal meetings
Servicing Sector	Training and certification processes for service providers in the RAC and MAC sectors	Focus group meetings/discussions, site visits
NGOs	Advocacy, consumer education, and professional association involvement in project impacts and benefits	Community consultations, focus group meetings/discussions
Media	Accurate and timely dissemination of information about the project through various media platforms	Disseminate information through DOE website and social media platforms, press conference / press release, interviews with mainstream media (newspaper, TV or radio)
General Public	Information and engagement on project benefits and participation opportunities	Community consultations, public awareness campaigns
Multinational Organizations	Coordination and support from international bodies such as The World Bank and UNDP for project alignment with global standards	Formal meetings, structured agendas

Stakeholder Group	Stakeholder Needs	Engagement Method
Product Dealers/Distributors	Coordination on product distribution and market feedback on project-related changes	One-on-one interviews, focus group meetings/discussions

4.3 STAKEHOLDER ENGAGEMENT PLAN

The Stakeholder Engagement Plan outlines the strategy for engaging with stakeholders throughout the different stages of the project. The plan ensures that all relevant parties are adequately informed and have opportunities to participate in the project's development, implementation, and post-implementation phases.

Table 4.3 below is a detailed breakdown of the stakeholder engagement activities planned for each stage of the project:

Table 4.3 Stakeholder Engagement Plan for KIP Stage I

Project Stage	Duration	Purpose	Method Used	Target Stakeholders	Responsibilities
Project preparation stage (before project appraisal)	In the months leading up to the project appraisal	<ul style="list-style-type: none"> - Gather initial feedback from stakeholders on the proposed project design - Validate assumptions and actions to ensure they are appropriate for local conditions - Identify and address any potential environmental and social risks 	Initial stakeholder consultations (Workshops, face-to-face meetings, one-on-one interviews), disclosure of draft documents, public meetings	Project enterprises, government agencies, training providers, NGOs	PMU and the World Bank
Implementation stage	The entire duration of the project implementation	<ul style="list-style-type: none"> - Address ongoing concerns and issues raised by stakeholders - Update stakeholders on project progress and any changes to project activities - Ensure continuous engagement and transparency throughout the project implementation 	Regular stakeholder meetings, workshops and training sessions, progress updates, feedback mechanisms	Project enterprises, government agencies, general public, service technicians, training centers, NGOs	PMU
Post-project stage	Immediately following completion of	<ul style="list-style-type: none"> - Gather feedback from stakeholders on the effectiveness of environmental and 	Post-implementation consultations, dissemination	Project enterprises, government agencies,	PMU and the World Bank

Project Stage	Duration	Purpose	Method Used	Target Stakeholders	Responsibilities
	project activities	social mitigation measures implemented during the project - Identify areas for improvement and lessons learned for future projects - Ensure transparency and accountability in reporting project outcomes	of results, job opportunity consultations, follow-up meetings	general public, training centers, NGOs	

Information will be disclosed as follows:

- **Stakeholder Engagement Plan (SEP):** Shared in English and Bahasa Malaysia through consultation meetings.
- **Environmental and Social (E&S) Documents:** ESMP, LMP, and relevant E&S documents available in English and Bahasa Malaysia through consultation meetings.
- **Grievance Mechanism (GM) Procedures:** Detailed procedures in English and Bahasa Malaysia provided in information leaflets and during consultation meetings.
- **Project Orientation:** Objectives, scope, and benefits communicated through public notices, press releases, and information leaflets in English and Bahasa Malaysia.
- **Regular Updates:** Ongoing project progress updates via emails and Progress Report in English to relevant stakeholders.

Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the stakeholder engagement plan and Grievance Mechanism, and on the project's overall implementation progress.

5 RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT ACTIVITIES

5.1 RESOURCES

The Project Management Unit (PMU) will be responsible for overall implementation of stakeholder engagement activities throughout project life cycle. The PMU will ensure that adequate budget allocations are made for stakeholder engagement to ensure meaningful and timely consultations. The stakeholder engagement approach, as detailed in this document, will guide these consultations.

During the project preparation phase, indicative costs for SEP implementation will be estimated to facilitate budget planning. The costs for SEP implementation will be sourced from the approved PMU budget of US\$765,835 for project management. The actual costs will depend on the scope and specific activities to be carried out during both project preparation and implementation phases. The estimated costs may be revised as the project details are finalized. Costs incurred for disclosure materials and public consultations will be covered by the project's funding.

5.2 MANAGEMENT FUNCTIONS AND RESPONSIBILITIES

The PMU is entrusted with well-defined roles and responsibilities to ensure the effective implementation of the SEP. The PMU's duties include:

- **Overall Coordination.** The PMU will coordinate all stakeholder engagement activities, ensuring they are aligned with the project timeline and objectives.
- **Budget Allocation.** Ensure adequate financial resources are allocated for stakeholder engagement activities.
- **Monitoring and Reporting.** Regularly monitor the implementation of the SEP and report on progress to higher management level and stakeholders.
- **Grievance Mechanism Management.** Oversee the Grievance Redress Mechanism (GRM), ensuring grievances are logged, addressed, and resolved in a timely manner.
- **Staffing.** Assign dedicated staff for stakeholder engagement activities.
- **Training and Capacity Building.** Provide training for staff and stakeholders to enhance understanding and execution of the SEP.
- **Documentation.** Maintain comprehensive records of all stakeholder engagement activities, including meeting minutes, attendance records, feedback received, and actions taken.

The successful implementation of stakeholder engagement activities within the project relies on the dedicated efforts of various staff members of the PMU. Each member plays a crucial role in ensuring that stakeholders are effectively engaged throughout the project lifecycle. **Table 5.1** are the roles and responsibilities of PMU members involved in stakeholder engagement.

Table 5.1 Roles and Responsibilities of PMU Staff in Stakeholder Engagement

	Role	Responsibilities
PMU Coordinator	Oversee the overall implementation of the SEP and ensures alignment with project objectives and timeline.	<ul style="list-style-type: none"> - Develops the SEP in collaboration with relevant stakeholders - Provides guidance and direction to the team members involved in stakeholder engagement activities - Coordinates stakeholder meetings, workshops, and consultations - Monitors the effectiveness of stakeholder engagement efforts and adjusts strategies as needed - Ensures that stakeholder feedback is documented, analyzed, and incorporated into project planning and decision-making processes - Represents the PMU in external stakeholder interactions and maintains positive relationships with key stakeholders
Financial management specialist	Ensures that financial resources allocated for stakeholder engagement activities are utilized efficiently and transparently.	<ul style="list-style-type: none"> - Develops budgets for stakeholder engagement activities in accordance with project guidelines and World Bank requirements - Tracks expenditures related to stakeholder engagement and ensure compliance with financial procedures and regulations - Provides financial reports on stakeholder engagement expenditures to project management and World Bank as required - Collaborates with procurement specialists to procure goods and services necessary for stakeholder engagement activities within budgetary constraints - Supports the PMU Coordinator in financial planning and decision-making related to stakeholder engagement initiatives
Procurement/technical specialist	Facilitates the procurement of goods and services required for effective stakeholder engagement.	<ul style="list-style-type: none"> - Determines technical specifications for equipment and tools required for the KIP Stage I project - Initiates and oversees procurement process for technical equipment and tools needed for stakeholder consultations, workshops, and training sessions - Ensures compliance with procurement regulations and procedures throughout procurement cycle.

	Role	Responsibilities
		<ul style="list-style-type: none"> - Manages vendor contracts and agreements related to technical procurement, including monitoring performance and resolving issues. - Coordinates with financial management specialist to ensure timely payment processing for procured goods and services.
E&S/monitoring and reporting specialist	Oversees the environmental and social aspects of stakeholder engagement activities and monitors their impact on project implementation	<ul style="list-style-type: none"> - Designs monitoring and reporting frameworks to track effectiveness of stakeholder engagement strategies and identify areas for improvement - Prepares regular reports on the stakeholder engagement activities for internal and external stakeholders - Collaborates with project officer and other team members to integrate environmental and social considerations into stakeholder engagement planning and implementation
Project Officer	Provides operational support for the implementation of stakeholder engagement activities	<ul style="list-style-type: none"> - Assists in organizing stakeholder meetings, workshops, and consultations, including logistical arrangements and participant communications - Maintains stakeholder databases and communication channels to facilitate information sharing and outreach - Prepares meeting agendas, presentations, and other materials for stakeholder engagement events - Supports data collection, analysis, and documentation of stakeholder feedback and engagement outcomes - Collaborates with other team members to ensure that stakeholder engagement activities are integrated into overall project planning and implementation processes - Provides administrative support as needed to ensure the smooth execution of stakeholder engagement initiatives

6 GRIEVANCE MECHANISM (GM)

The main objective of a Grievance Mechanism (GM) is to assist in resolving complaints and grievances in a timely, effective, and efficient manner that satisfies all parties involved. To ensure effective and transparent handling of grievances related to the project, the following grievance mechanism will be established.

6.1 DESCRIPTION OF GRIEVANCE MECHANISM

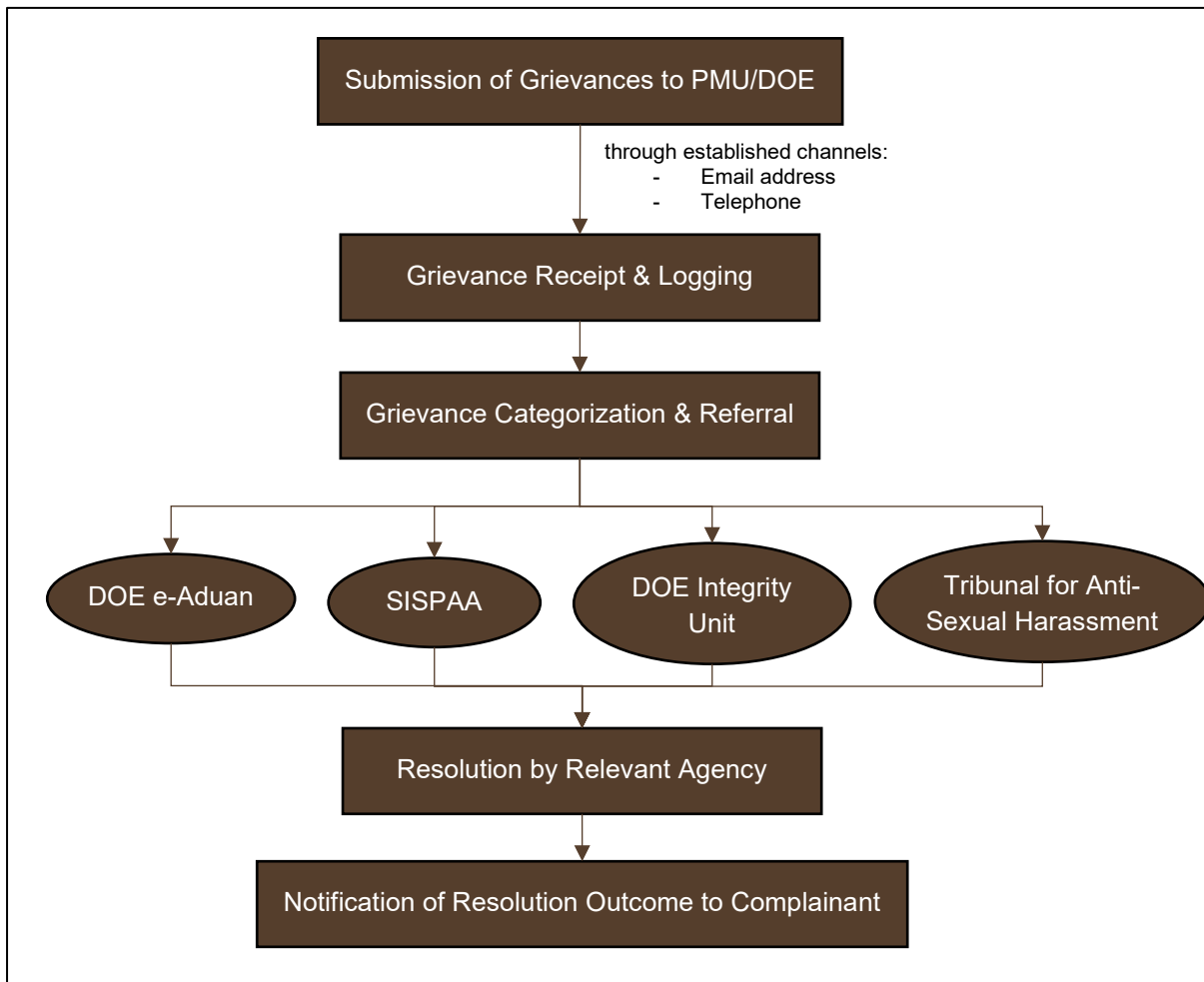
Table 6.1 outlines specific steps, time frames, and responsibilities involved in the GM process, from the initial grievance submission to resolution, feedback collection, and ongoing monitoring. Following the table, a flowchart in **Figure 6.1** is provided to visually illustrate the key stages in the grievance management process.

Table 6.1 Grievance Mechanism Process

Step	Description of Process	Time Frame	Responsibility
GM Implementation Structure	All grievances related to the Project are handled centrally by the PMU at the national level within the DOE.	Throughout project implementation	PMU
Grievance Channels	The PMU will create and publicize dedicated email addresses and telephone numbers for stakeholders to submit their grievances. These channels will be clearly communicated to all project stakeholders.	Within one (1) month of project effective date	PMU
Grievance Receipt and Initial Handling	All grievances received through the established channels will be initially directed to the PMU/DOE. The PMU will be responsible for logging and acknowledging the receipt of each complaint and ensuring that it is forwarded to the relevant agency or unit for resolution.	Upon receipt of complaint	Grievance focal point at PMU
Grievance Categorization and Referral	<ul style="list-style-type: none"> • Environment-related complaints: Complaints concerning environmental issues will be forwarded to the DOE e-Aduan system. • Other project-related feedback: Feedback, complaints, inquiries and suggestions from the public will be directed to the <i>Sistem Pengurusan Aduan Awam (SISPAA)</i>. • Complaints against DOE officers: Complaints concerning DOE officers will be forwarded to the DOE Integrity Unit. 	Upon receipt of complaint	Grievance focal point at PMU

Step	Description of Process	Time Frame	Responsibility
	<ul style="list-style-type: none"> • Sexual Exploitation/Abuse and Sexual Harassment (SEA/SH) complaints: Complaints related to sexual harassment will be directed either to the police or to the Tribunal for Anti-Sexual Harassment. 		
Resolution Process	Each relevant agency or unit will be responsible for investigating and resolving the grievances within their jurisdiction. They will ensure that appropriate actions are taken and that responses are provided to the complainants in a timely manner. The PMU will monitor the resolution process and ensure that grievances are addressed effectively and that feedback is provided to stakeholders regarding the outcome of their complaints.	Within 10 working days	Relevant agency/ unit
Appeal Process	Complainants dissatisfied with a grievance resolution may submit an appeal to the PMU, which will review and reassess the case, make a final decision, and communicate this decision to the complainant.	Within 10 working days of receipt.	PMU in consultation with the relevant agency/ unit
Monitoring and Reporting	The PMU will maintain records of all grievances received, including their nature, referral, and resolution status. Regular reports will be generated to monitor the efficiency of the grievance mechanism and to identify any trends or issues that need to be addressed.	Biannually	PMU
Satisfaction Feedback	To ensure effective handling of grievances and gauge stakeholder satisfaction, the PMU will collect feedback through post-resolution surveys and direct feedback channels.	Within five (5) working days of resolution	PMU
Training	Training needs for PMU staffs are as follows: <ul style="list-style-type: none"> • GM Procedures • Handling SEA/SH Grievances • ESF, ESS and National Legal Regulatory Compliance • Technical Training on Project Components • Communication and Stakeholder Engagement • Monitoring and Reporting 	Initial training within three (3) months of project effective date; Refresher courses annually	PMU

Figure 6.1 Grievance Mechanism Process



The Grievance Mechanism will provide an appeal process if the complainant is not satisfied with the proposed resolution of the complaint. Once all possible means to resolve the complaint have been proposed and if the complainant is still not satisfied, then they should be advised of their right to legal recourse. Reprisals and retaliation against project stakeholders who voice their concerns about the Bank-financed projects will not be tolerated.

When relevant, the project will have other measures in place to handle sensitive and confidential complaints, including those related to Sexual Exploitation and Abuse/ Sexual Harassment (SEA/SH) in line with the World Bank ESF Good Practice Note on SEA/SH. These measures will include establishing dedicated, confidential reporting lines and assurances to maintain complainants' confidentiality. Specialized training for PMU staff and contractors will be provided to handle SEA/SH complaints sensitively and confidentially. The PMU will engage and refer complainants to the Tribunal for Anti-Sexual Harassment under the Ministry of Women, Family and Community Development.

Additionally, the Labor Management Procedures (LMP) outlines a specific Labor Grievance Mechanism that exists for workers involved in the Project. This mechanism enables workers to address grievances related to labor laws, workplace conditions, and employment rights. Detailed procedures are provided in the LMP, ensuring that workers can utilize this mechanism effectively to resolve issues and uphold their rights within the Project's framework.

7 MONITORING AND REPORTING

7.1 INVOLVEMENT OF STAKEHOLDERS IN MONITORING ACTIVITIES

The SEP implementation will be monitored continuously with formal reviews and evaluations on a biannual basis. A dedicated project management unit (PMU) will oversee the monitoring and reporting of the SEP. This unit will include PMU Coordinator, specialists in environmental and social or monitoring and reporting, and project officer. Stakeholders will be actively involved in the monitoring process through regular feedback mechanisms, participation in monitoring committees, and direct reporting of grievances or concerns.

The objective of monitoring of SEP implementation is to ensure activities set out in SEP is carried out timely and appropriately. Monitoring by PMU will focus on:

Focus Area	Monitoring Indicators
Grievance Redress Mechanism	<ul style="list-style-type: none">- Number and type of grievances received- Average grievance resolution time- Number of grievances successfully resolved- Stakeholder satisfaction with grievance resolution process (via surveys or feedback forms)
Stakeholder Engagement	<ul style="list-style-type: none">- Number of stakeholder engagement and engagement method used- Frequency of engagements- Stakeholder category and participation rates- Overall stakeholder satisfaction score from surveys
Information Disclosure	<ul style="list-style-type: none">- Number and type of project-related documents or reports disclosed- Platforms used for information disclosure
Stakeholder Feedback	<ul style="list-style-type: none">- Number and type of feedback suggestions received- Percentage of action items addressed
Staff for Stakeholder Engagement	<ul style="list-style-type: none">- Number of staff dedicated to stakeholder engagement- Adequacy and skills of staff for effective management

7.2 REPORTING BACK TO STAKEHOLDER GROUPS

The Stakeholder Engagement Plan (SEP) will be periodically revised and updated as necessary throughout the course of project implementation. Biannual summaries and internal reports on public grievances, inquiries, and related incidents, together with the status of implementation of associated corrective/preventive actions, will be collated by responsible PMU officer and referred to the PMU Coordinator. The biannual summaries will provide a mechanism for assessing both the number and nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner. Information on stakeholder engagement activities undertaken by the Project during the year may be conveyed to the stakeholders in various ways:

Reporting	Content	Frequency	Method	Audience
Progress Report	Project milestones, environmental and social performance metrics, SEP progress, GRM status	Biannually	Digital and physical distribution	Government agencies
Stakeholder Meetings and Workshops	Project progress, environmental and social impacts, SEP updates, interactive Q&A and feedback sessions	Annually	In-person and virtual meetings	Key stakeholders including government agencies and NGOs
Newsletter	Project activities, key achievements, upcoming events, environmental and social performance highlights, Frequently Asked Questions (FAQs)	Annually	Digital and printed copies	General public

By incorporating these reporting methods, the Malaysia Kigali Implementation Plan for HFC Phasedown – Stage I Project ensures transparency, fosters trust, and maintains continuous engagement with all stakeholders, addressing their concerns and keeping them informed of the project’s progress and impacts.