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## Cooperation Policy Implementation Between the Government and Business Entities in the Provision of Infrastructure in the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia

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### **Abstract:**

*The problem of not optimal implementation of cooperation policies between the government and business entities in the provision of infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia shows that actually the policy implementation process is still not in accordance with the policy objectives set out in Presidential Regulation Number 38 of 2015, seen from the pattern of implementation, and still has various weaknesses. This study uses a qualitative approach with descriptive methods, namely data collection by interviews, documentation and observation with data analysis, namely data reduction (data reduction), data display (display data), and conclusion drawing/verification (withdrawal of conclusions/verification) with triangulation techniques on the data obtained. The theory used in this study uses the public policy theory of Merilee S. Grindle. Grindle's (1980) model with dimensions: policy content and policy context. The contents of the policy cover (1) interests affected; (2) type of benefits; (3) extent of change envisioned; (4) site of decision making; (5) program implementers; and (6) committed resources. The implementation context includes (1) power, interest, and strategies of the actors involved; (2) institutional and regime characteristics; and (3) compliance and responsiveness. With Grindle's opinion, then the Implementation of PPP Policy in Provision of Infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia will be analyzed according to the content of policy and the context of implementation. The implementation of the Implementation of the Cooperation Policy between the Government and Business Entities in the Provision of Infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia. not yet optimal Researchers create a new model of Government Cooperation Policy with Business Entities in Provision of Infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia Transparency, Regulation, integrated system, Agility (information openness, making laws, digitally integrated system, intelligent leadership).*

**Keywords:** Public Policy, Cooperation Between Government and Business Entities, New Model Of Infrastructure Provision

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## **1. Introduction**

Development as one of the functions of government aims to accelerate the achievement of the goals of the Republic of Indonesia, namely to promote general welfare and educate the nation's life (Limpo et al., 2018). Indonesia as a country with a rapid level of economic development. According to Tambunan (2008) with the target of the 6th largest GDP in the world in 2030 and with the current infrastructure development strategy, it is an initial capital to realize this target.

Realizing this infrastructure does not mean that it does not have obstacles. The government's limited budget in meeting the needs to support the acceleration of infrastructure development has activated the option of initiating the involvement of the private sector to take part in its role in providing financing for this infrastructure sector. Apart from having limited budgets for this development, since the 1990s, according to the opinion given by (Balisacan et al., 2003) Indonesia's infrastructure provision is still very low when compared to other equivalent countries due to the economic crisis that hit. The number of infrastructure projects that had to be stopped included the reduction in the government budget for infrastructure development and the cancellation of projects undertaken with the private sector.

In 2019, infrastructure development focused on 6 (six) aspects, namely construction/reconstruction/completion of road widening, construction of new airports, construction and rehabilitation of bridges, irrigation networks, dam construction, and construction/completion of railroads. However, the expected funding requirements and maximum capabilities of business entities in the 2015-2019 Medium-Term Development Plan (RPJMN) contain conditions that are laden with limited funds owned due to limited fiscal space, making it impossible for the Government to finance with its own budget in implementing development. all the infrastructure needed by the community such as roads, bridges, drinking water networks, ports and electricity so that to achieve the infrastructure development targets set in the RPJM, the funds needed have reached IDR 5,452 trillion.

Regarding the constraints and obstacles that occur, the provision of infrastructure in Indonesia is slow due to obstacles at various stages of the project, from preparation to implementation. Overall, weak coordination among stakeholders often results in decision-making delays. During the preparation stage, there were problems due to the weak quality of project preparation and limited funding allocations. Furthermore, projects are often constrained by land acquisition problems which result in delays in achieving financial close for PPP projects. In addition, from a funding perspective, problems often arise related to the unavailability of fiscal support from the Government due to discrepancies or disagreements over risk sharing between the Government and Business Entities. In addition to fiscal support, the government's limited guarantees that can be provided for infrastructure projects have also reduced investment interest in Indonesia.

The phenomena mentioned above explain that PPP projects are still based on decisions without clear calculations and assessments, the understanding of PPP managers and stakeholders, especially on the GCA side, is low because most service management units are still accustomed and comfortable with ways of providing infrastructure through traditional schemes using the state budget so that it is still difficult to understand the characteristics of PPP schemes, complex networks with different measures of success so that sometimes sectoral egos arise between ministries/agencies that harm the collaboration process, and there are conditions of failure in coordinating between Government units in the PPP scheme is an indication that the implementation of the Government and Business Entity Cooperation policy for the provision and financing of infrastructure for the public interest is in accordance with the objectives stipulated in Presidential Regulation Number 38 of 2015 in the Ministry of Public Works and Public Housing (as GCA) are still experiencing obstacles, constraints and problems in its implementation.

There are problems implementing the policy of cooperation between the government and business entities in the provision of infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia indicating that the process of actually implementing the policy is still not in accordance with the policy objectives set out in Presidential Regulation Number 38 of 2015, seen from the pattern of its implementation, it still has various weaknesses as follows: 1) Infrastructure Development causes an Enlarging Budget Deficit; 2) Ineffective allocation of the budget as a fiscal instrument in achieving the expected goals; 3) Limited funds owned by the government in financing all infrastructure development; 4) The determination of PPP projects is not based on a clear assessment and selection framework; 5) GCA still has low understanding of cooperation-based budget management; 6) The role of the PPP node is not optimal in coordinating the actors in the PPP; 7) Complex networks with different success measures; 8) There are still sectoral egos between ministries/agencies in a PPP project.

## **2. Theoretical Background**

Public policy is one of the outputs or results of the governance process, in addition to public services, public goods, and regulations (Vedung 2017). According to (Exworthy & Powell 2004) it has been more than four decades since Pressman and Wildavsky in the 1970s conducted a study to understand why the implementation of various programs designed by the central government (federal government) tends to fail when implemented by the state government (state government), but to this day this phenomenon is still repeated.

There are two terminologies that are used overlapping and interchangeable in the use of the meaning of public policy, namely "policy" and "wisdom". Charlsnaes (2008) said that policy (wisdom) refers to the person (traits) in this case more emphasis on broad views that are still in thought and are universal, and objective.

Policy or wisdom comes from the word policy, which in general the term policy is used to indicate the behavior of several "actors", such as government officials, a group of government agents, or several "actors" in a particular field. As mentioned, policies can be found in every governance, both at the international, national and local levels, meanwhile, the notion of public in this modern democracy is defined as society (the people). According to Cummings (2012) every public/government policy must always be oriented to the public interest. Bonoli (2007) further clarified that public policy is one of the instruments to improve people's welfare, where the government's task as a policy maker is always confronted between individual interests and group interests. These two interests are a problem that must be bridged for public policy makers, to keep looking for the best alternative.

Tsebellis & Garret (2021) see implementation as the implementation of various decisions, both originating from the legislature, executive and judiciary. Furthermore, Hill & Hupe (2002) also argued that the implementation of public policy contains a certain meaning, namely: Understanding what states to occur after a program is declared valid or formulated is the object of concern for policy implementation, namely events, activities that arise after ratification of object policy guidelines, which include both efforts to administer them as well as to create real effects/impacts on society.

Policy implementation studies are a process of a series of activities that are deliberately carried out to determine the extent to which an implemented policy has succeeded or failed in achieving the goals and objectives of the policy (Pawson et al., 2005). Information about the success or failure of a policy is obtained through implementation evaluation procedures. In other words, evaluation of policy implementation is an activity to evaluate or assess the degree of success or failure of a policy that has been implemented.

Ripley's opinion shows that implementation is a series of activities in order to deliver policies to the community so that these policies bring the desired results. Furthermore, Rahmah & Kirana (2022) stated that implementation is what happens after the law is enacted which gives program authority, policy, benefits, or a type of tangible output. Implementation includes actions by actors, especially bureaucrats who are intended to make the program run.

The implementation of public policy is also linked to several elements of implementing the policy which are important elements for the success of a policy, however, in carrying out policy tasks it is clear which limits must be carried out which are referred to as objects and which are referred to as subjects so that policies do not overlap which makes the policy visible. unclear.

In the policy process, there is always the possibility of differences between what is planned by policy makers and what is actually achieved as a result or achievement of implementing the policy. The phenomenon of the ineffectiveness of a policy

implementation (Arshed et al. 2016), is called the implementation gap. The size of the difference more or less depends on what is called the implementation capacity of the organization/actor or group of organizations entrusted with carrying out the task of implementing the policy. Implementation capacity is the ability of an actor or an organization to carry out policy decisions in such a way that there is a guarantee that the goals or objectives set out in the formal policy document can be achieved.

In the context of implementing public policy, several models have been applied which were offered by policy experts. Abas & Wee (2014) states that the literature on policy implementation is generally divided into two groups, namely groups with a top-down approach and groups with a bottom-up approach.

Thus the policy may not be implemented effectively so that it is judged by policy makers as poor implementation or both policy makers and those tasked with carrying it out both agree that external conditions are truly unfavorable for effective implementation so that no one needs to be blamed. In other words, the policy failed because it had bad luck. Another causal factor that policy makers often do not openly disclose to the public is that the policy failed because the policy was indeed bad from the start, in the sense that it was formulated carelessly, was not supported by adequate information, wrong reasons, or assumptions. Unrealistic assumptions and expectations.

According to Grindel, the success of a policy to be implemented is highly dependent on the level of implementation ability of the policy itself. This implementability can be seen from the Content of Policy and the Context of Policy.

### **3. Methodology**

The method used in this research is a qualitative approach, with descriptive analysis method. Qualitative research is interpretive research. As such, the biases, values and judgments of the research become stated explicitly in the research report. Such openness is considered to be useful and positive. Qualitative research methods are research procedures that produce descriptive data in the form of written or spoken words from people and observable behavior.

Problems in qualitative research come from phenomena that are seen and felt by researchers, these phenomena according to researchers contain problems that raise questions. Therefore, there are three possibilities for the problem that the researcher brings. First, the problem that the researcher brings is fixed, so that from the beginning to the end of the study the same. Second, the problems brought by researchers after conducting research develop in a broader and deeper sense. Thus there are not too many changes, so the possibility is only to improve the title of the research. Third, the problems brought by researchers after entering the research field have completely changed. So we have to change the problem, the biggest possibility is to change the research title.”

Furthermore (Mulyana, 2001) says one of the qualitative characteristics is that there is no specific hypothesis at the time the research begins, the hypothesis is actually built during the research stages, after being tested or confronted with the data obtained by the researcher during the research.

The author chose an approach using this qualitative research method to understand how the process and disclosure of the meaning of each phenomenon described according to the perceptions of the government and society, with existing theoretical support and a framework, premises and working hypotheses are built, then to be able to take a better understanding. is integralistic, holistic and comprehensive in nature to the phenomenon of problems that are continuously moving and developing and the form of evidence processing focuses on the arrangement of sentences and pictures and does not include statistical data. In relation to the events that occur, the implementation of research is carried out when there is interaction in the research field, the emphasis is on the process (steps and procedures) and not on the results of the activities, by making observations/observations, recording, tracking developing information and finding sources. Information for investigation, then the preparation of observation products is carried out when the interactions and observations are completed in the field based on the context of the observation area in the form of a description with a narrative format. The description of the data that has been obtained in the form of a description with the narrative format in general can answer the questions in the formulation of the problem that has been determined, after which a conclusion is made.

#### **4. Empirical Findings/Result**

##### **Analysis Content of Policy**

In general, the last implementation is in building a network that allows the political goals of public policy to be realized as a result of government activities. Hence the establishment of a "policy delivery system", meaning specifically designed and accomplished with the hope of arriving at a certain end. Thus, public policy includes a statement of goals, objectives, and means translated into a program of action aimed at achieving the goals stated in the policy. It is clear that various programs can be developed to respond to the same policies and goals. The action program itself can be divided into more specific projects. The aim of individual action programs and projects is to bring about changes in the policy environment, changes that can be considered as outcomes of the programmes. While it refers to the differences between policies and programs (Grindle, 1980; Mubarok et al., 2020) In context, interests affected; type of benefits; extent of change envisioned; site of division making; implementing program; and committed resources are relevant to reveal how the Implementation of the Policy of Cooperation Between the Government and Business Entities in Provision of Infrastructure at the Ministry of National Development Planning/National Development Planning Agency Presidential Regulation Number 38 of 2015 Concerning Government Cooperation with Business Entities in Provision of

Infrastructure which is the legal umbrella for the concept of Cooperation Government with Business Entities (PPP/PPP) as a form of public policy.

### **Interest Affected**

Implementation of Government Cooperation Policy with Business Entities in Provision of Infrastructure in the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia is of course related to various interests that influence the process of implementing these policies. In this perspective, the question is to uncover and discuss the interests that influence (Interest Affected) the Implementation of Government Cooperation Policies with Business Entities in the Provision of Infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia what are the interests that affect and how are the interests If this affects the policies of decision-making officials, of course there are problems that are the background of this influence. Answering this question, according to informants in this study are as follows:

Influenced interests, in accordance with the new paradigm of infrastructure funding which makes the APBN/APBD an alternative source of funding and the last financing to support the achievement of development targets set out in the planning documents (RPJMN/RKP), quality public investment is needed, namely appropriate targets and time, provide significant and sustainable positive impact, consistent with the directions of development policies, programs and plans, as well as the efficient use of resources and funds. With limited fiscal capacity in financing large and increasingly diverse development needs, a funding and financing strategy is needed that can optimize the utilization of all existing funding and financing capacities to achieve development targets, one of which is through the Public Private Partnership (PPP) scheme.

From the results of the interview above, indeed the Government of Indonesia is aware of the importance of improving the nation's infrastructure and is also fully aware of the benefits of infrastructure investment from the perspective of business and the private sector. To bridge the interests of the private sector in seeking profitable investments and providing better infrastructure for the community, the Government offers a Public-Private Partnership (PPP) scheme in developing infrastructure projects. This scheme is regulated through Presidential Regulation Number 38/2015 and its technical regulations.

Now, as the conditions for PPP projects in Indonesia have matured and a steady stream of new projects has been pouring in from year to year, new opportunities for profitable investment are emerging alongside these projects. According to him, this is supported by informants in this study who most prominently influence the decision on the Government Cooperation Policy with Business Entities in the Provision of Infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia. The following is

according to the results of interviews with informants as follows:

With limited fiscal capacity in financing large and increasingly diverse development needs, a funding and financing strategy is needed that can optimize the utilization of all existing funding and financing capacities to achieve development targets, one of which is through the Public Private Partnership (PPP) scheme. This is also in accordance with the new paradigm of infrastructure funding which makes APBN/APBD an alternative source of funding and the last resort.

Given the limited fiscal capacity and regulatory framework, the Government has taken a series of major steps to refine its PPP policy and regulatory framework to increase the attractiveness and competitiveness of the Government's PPP programs. These regulations consist of:

Regulatory Framework for PPP Scheme Guidelines, a. Presidential Regulation Number 38 of 2015 concerning Cooperation between the Government and Business Entities in the Provision of Infrastructure contains general provisions to support the implementation of national development in order to improve the national economy, people's welfare, and Indonesia's competitiveness in a global context. This Presidential Decree mandates Bappenas, LKPP, Ministry of Finance, Ministry of Home Affairs to establish technical regulations. b. Minister of National Development Planning Number 4 of 2015 concerning Guidelines for PPP Implementation of Infrastructure Provision as amended by Minister of National Development Planning Regulation Number 2 of 2020. The key points of this amendment are: Simplification of study preparation for requested and unsolicited projects; Adding more infrastructure sectors as sector specific needs grow; Bappenas facilitation for study preparation; Increasing the role of the PPP Joint Office, c. Regulation of the Head of the National Public Procurement Agency (LKPP) Number 19 of 2015 concerning Guidelines for Procurement of Business Entities in the PPP Scheme in Provision of Infrastructure. Because LKPP Regulation No. 29/2018 regulates requested projects, this regulation only applies to unsolicited projects and preparatory agencies. d. Regulation of the National Public Procurement Agency (LKPP) Number 29/2018 concerning Guidelines for Procurement of Business Entities in PPP Infrastructure Projects. The key point of this amendment is to clarify the guidelines, especially the clause on bidding in two stages.

Following are the results of interviews with informants, according to him, the interests that influence the implementation process of the policy.

By taking into account the fiscal capacity as answered above, PPP policy decisions are heavily influenced by the Deputy for Development Funding by taking into account recommendations from other sector Deputies and previously receiving proposals from Sectoral Ministries and Institutions and the Regional Government as GCA (Cooperation Project Responsible Person).



From the results of the interview above, the researcher provides an explanation, the Regulatory Framework for Available Payment Schemes in PPP Projects; a. Minister of Finance Regulation Number 260/2016 as an Amendment to Minister of Finance Regulation Number 190/2015 concerning Payments Available in PPP Schemes in Infrastructure Provision. , b. Regulation of the Minister of Home Affairs Number 96 of 2016 concerning Availability of Payments Using the Regional Revenue and Expenditure Budget (APBD) in the PPP Scheme in Provision of Infrastructure. PPP including exchange of data and information to strengthen data integration; and become an integrated PPP information center that can be accessed by business entities and all PPP stakeholders. Members of the PPP Joint Office are: a. Coordinating Ministry for Economic Affairs, b. Coordinating Ministry for Maritime Affairs and Investment, c. Minister of Finance, d. Ministry of Internal Affairs., e. Ministry of National Development Planning/National Development Planning Agency., f. Ministry of Investment/Investment Coordinating Board (BKPM)., g. National Public Procurement Agency (LKPP). In carrying out activities at the PPP Joint Office, members may also involve other parties under their authority, such as the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency under the Coordinating Ministry for Economic Affairs and PT PII/IIGF, PT SMI, and/or LMAN in under the Ministry of Finance. In some conditions, the involvement of other related parties is also possible through the KPS Joint Office.

Informant Laras Primasari First Expert Planner Director of Housing and Settlements:

To encourage PPP effectiveness, the Directorate of Development Funding Development, Ministry of National Development Planning/Bappenas as the secretary of the PPP Joint Office always coordinates, monitors, and evaluates PPP projects together with other members of the PPP Joint Office consisting of the Ministry of Finance, Coordinating Ministry for Economic Affairs, Kemenkomarinvess, LKPP , Ministry of Investment/BKPM, Ministry of Home Affairs, and PT. PII (Persero) in accordance with their respective duties and functions jointly coordinate, facilitate, and improve the capabilities of the 4 PPP pillars (Regulator, Investee, Investor, and Transaction Advisor) as an effort to increase PPP effectiveness.

From the results of the interviews above, the researchers provide an explanation, the Government Guarantee Regulatory Framework for PPP Projects; a. Presidential Regulation Number 78 of 2010 concerning Government Guarantees on PPP Infrastructure Projects, b. Minister of Finance Regulation Number 8 of 2016 as an Amendment to Minister of Finance Regulation Number 26 of 2010 concerning Guidelines for Government Guarantees, c. Regulation of the Minister of Finance Number 30 of 2012 concerning Contingent Liability Funds.

From the explanation above related to clear regulations, but the facts in the field from the results of interviews with informants 3 from researchers from various problems that arise from the existence of interests in the Government Cooperation Policy with Business Entities in Provision of Infrastructure at the Ministry of National

Development Planning/National Development Planning Agency of the Republic Indonesia, and how to overcome these problems according to him.

### **Type of Benefits**

Type of benefit to be generated; in this case the content of policy seeks to show or explain that in a policy there must be several types of benefits that show the positive impact generated by the implementation of the desired or expected policy from the Government Cooperation Policy with Business Entities in Provision of Infrastructure at the Ministry of National Development Planning/ The National Development Planning Agency of the Republic of Indonesia.

Bappenas Informant Director of Development Financing of the Ministry of National Development Planning/Bappenas:

With the existence of a PPP, it can provide benefits to the Central Government and Regional Governments in providing adequate infrastructure (guaranteed service level agreement), value for money, more controlled risks and providing fair opportunities for Business/Private Entities to invest.

With the existence of a PPP, it can provide benefits to the Central Government and Regional Governments in providing adequate infrastructure (guaranteed service level agreement), value for money, more controlled risks and providing fair opportunities for Business/Private Entities to invest. Plt informant Director of Planning and Development of National Priority Infrastructure Projects:

This type of benefit is felt by the government as the project owner, Business Entities as investors and Financing Institutions as financiers. The Ministry of National Development Planning/Bappenas sees PPP as the main source of funding after purely private investment, in accordance with the new infrastructure funding paradigm which makes the APBN/APBD the last alternative source of funding and financing.

Based on the Regulation of the Minister of National Planning and Development Number 4/2015 as amended by the Regulation of the Minister of National Planning and Development Number 2/2020, the process of handling unsolicited proposals can be divided into three main stages, namely:

The first stage is the Approval Process. It starts when the project initiator submits the project to the GCA by submitting a Letter of Intent (LoI) and a Pre-Feasibility Study. After receiving the feasibility study, the GCA must then carry out all internal assessments and decide whether the project will be approved or not. When the GCA approves the project, after assessing and evaluating the proposal, it must issue an Approval Letter. The type of Approval Letter will depend on the level of feasibility study provided. If the project proponent submits the Pre-Feasibility Study, the government will issue a Pre-FS Approval Letter and grant the project proponent the

right to prepare a Feasibility Study. If the project proponent submits the Feasibility Study, the government will issue an FS Approval Letter and announce the initiator as the Project Proponent. Project Proponents may propose incentives or benefits as compensation for their work in preparing the project. The choice of incentives or benefits for the Project Proponent are as follows: a) Right to Match, If another bidder has a better proposal winning the tender process after evaluation, the Project Proponent may, at their sole discretion, match their proposal.,b) Additional Points on Procurement Score, the Project Proponent will automatically receive an additional 10% score during the proposal evaluation process. The feasibility study document is then owned by the GCA. Then, the Project Proponent can decide whether to participate without additional incentives or not to participate in the tender process at all.

The second stage involves a Competitive Tender Process. The bidding process is carried out in the same way as the requested PPP project, from pre-qualification to bidding.

The third stage, the signing of the PPP Agreement is also carried out in the same way as the PPP project being applied for. This stage starts from signing the PPP agreement to financial close. The following is the KPS Scheme.

As noted above, unsolicited PPP proposals are initiated by the private sector or project proponents. The framework for the unsolicited PPP proposal process is much the same: Planning, Preparation, and Transaction. However, the planning and preparation is carried out by the private sector as the initiator, while the transaction is carried out by the government (GCA).

Informants from the results of interviews with researchers are as follows:

Types of benefits to manage the benefits of the PPP scheme, first of all the parties involved must understand how the business process of the PPP is so that the parties can prepare themselves well from the planning stage to the implementation of the PPP agreement. With adequate preparation and capacity from various parties, the progress of the PPP will run smoothly and the benefits can be felt.

As a form of project finance financing, PPP projects have a source of return on investment that relies solely on the potential future cash flows of the project. If we imagine, from the cooperative structure of providing public services to the community, the source of cash inflows for business entities should come from payments from the community as users. But if the user has a low ability to pay or it is even illogical to collect payment for the services that have been provided (eg national non-toll roads, hospitals, schools), will the service rates be fixed? Unable to get adequate service and the return on investment of investors and lenders is disrupted. In fact there is another scheme called government pays where the government intervenes

to help the public's ability to pay. The most popular form of government pays is the availability payment.

## **5. Conclusion**

Based on the description above, the conclusions of this study can be explained about the Implementation of Cooperation Policies between the Government and Business Entities in the Provision of Infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia. not optimal. With indications: first, interest affected by the policy (interest affected) related to the various interests that affect the implementation of a policy. This indicator explains that a policy in its implementation must involve many interests, and the extent to which these interests influence the Implementation of Government Cooperation Policies with Business Entities in Provision of Infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia, Interests that influence ( Interest Affected), PPP policy decisions are heavily influenced by the Development Funding Directorate, the Ministry of PPN/Bappenas as the secretary of the PPP Joint Office always coordinates, monitors, and evaluates PPP projects together with other members of the PPP Joint Office consisting of the Ministry of Finance, the Coordinating Ministry for Economy, Ministry of Maritime Affairs and Investment, LKPP, Ministry of Investment/BKPM, Ministry of Home Affairs, and PT. PII (Persero) in accordance with their respective duties and functions jointly coordinate, facilitate, and improve the capabilities of the 4 PPP pillars (Regulator, Investee, Investor, and Transaction Advisor) as an effort to increase PPP effectiveness.

The two types of benefits or benefits (type of benefits) are obtained from the Implementation of Government Cooperation Policies with Business Entities in Provision of Infrastructure at the Ministry of National Development Planning/National Development Planning Agency of the Republic of Indonesia. The benefits of PPP for the government are reducing the fiscal burden, sharing development risks so that it is more controlled, guarantees the availability of services for the community, and improves the business climate. With the existence of a PPP, it can provide benefits to the Central Government and Regional Governments in providing adequate infrastructure (guaranteed service level agreement), value for money, more controlled risks and providing fair opportunities for Business/Private Entities to invest. The benefits as mentioned above are felt by the government as the project owner, Business Entities as investors and Financing Institutions as financiers. The Ministry of National Development Planning/Bappenas sees PPP as the main source of funding after purely private investment, in accordance with the new infrastructure funding paradigm which makes the APBN/APBD the last alternative source of funding and financing. To manage the benefits of the PPP scheme, first of all the parties involved do not understand how the business process of the PPP is so that the parties can prepare themselves well from the planning stage to the

implementation of the PPP agreement. With adequate preparation and capacity from various parties, the progress of the PPP will run smoothly and the benefits can be felt.

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