PUBLIC-PRIVATE PARTNERSHIPS FOR SUSTAINABLE URBAN DEVELOPMENT: LESSONS FROM INDONESIAN CITIES

Taufiqurrachman[1], Avid Leonardo Sari[2], Irwandi[3], Soni Pratomo[4], Cynthia Febri Sri Indarti[5]
[1]Universitas Teknologi Muhammadiyah Jakarta, Indonesia
[2,3]Universitas Islam Negeri Sunan Gunung Djati Bandung, Indonesia
[4]Universitas Adiwangsa Jambi, Indonesia
[5]Institut Pemerintahan Dalam Negeri, Indonesia
Email: taufiqurrachman@utmj.ac.id

ABSTRACT

Public-private partnerships (PPPs) have become an important strategy in sustainable urban development in Indonesia, especially amidst limited local government resources and challenges posed by rapid urbanization. While the private sector has great potential to provide financing and innovation, the success of PPPs depends largely on effective coordination between the public and private sectors. The dynamics of this relationship often face complex challenges, including equitable management of risks and benefits. This study aims to explore the factors that influence the success of PPPs in the context of sustainable urban development in Indonesia. This study uses a qualitative approach, with data obtained from various relevant previous studies and research. The collected data are systematically processed to find new patterns and insights related to PPPs. The results of this study indicate that strengthening the institutional capacity of local governments and increasing transparency and accountability are key to the success of PPPs. Private sector involvement not only provides financial resources but also brings significant innovation and efficiency. Inclusive collaboration, involving local communities and stakeholders, has proven to be essential to ensure the relevance and sustainability of PPP projects. In addition, supportive and adaptive policies to local conditions are needed to create a conducive environment for these partnerships. With the adoption of a comprehensive strategy, PPP can be an effective tool to achieve sustainable urban development goals in Indonesia.

Keywords: *Public-Private Partnership (PPP), Sustainable Urban, Development.*

INTRODUCTION

Sustainable urban development has become a major agenda in public policy in many countries, including Indonesia, along with rapid urbanization. Cities in Indonesia face complex challenges in maintaining a balance between economic growth, environmental conservation, and social welfare. Uncontrolled urbanization has caused various problems, such as environmental degradation, traffic congestion, and widening social disparities. Therefore, sustainable urban development is a must to ensure that urban growth is not only economically profitable but also equitable and environmentally friendly (Surya et al., 2021).

In facing these challenges, local governments in Indonesia are often faced with limited resources, both in terms of budget and institutional capacity. These limitations are serious obstacles in efforts to create adequate infrastructure and public services for urban communities. Meanwhile, the need for better urban infrastructure, such as transportation, clean water, sanitation, and housing, is increasingly urgent. On the other hand, the private sector has the financial and technical resources needed to support the development of such infrastructure but is often hampered by bureaucracy and regulatory uncertainty in making investments (Desdiani et al., 2022).

Public-private partnerships (PPPs) have emerged as one solution that can bridge the gap between urban development needs and the limited resources available to the government. Through this partnership, the government and the private sector can work together to design, finance, build, and operate the infrastructure and public services needed by urban communities. PPPs offer the potential to optimize the use of existing resources, increase efficiency, and accelerate the realization of important projects that support sustainable

development (Almarri & Boussabaine, 2023).

However, the implementation of PPPs in Indonesia has not always run smoothly. Various obstacles, such as a lack of trust between the public and private sectors, differences in goals and interests, and a regulatory framework that is not yet fully supportive, often become stumbling blocks in realizing effective partnerships. Nevertheless, several cities in Indonesia have successfully utilized PPPs to support their urban development. The experiences of these cities offer valuable lessons that can be used to improve PPP practices in the future (Rohman, 2022).

As a country with rapid urbanization, Indonesia requires an innovative approach to its urban development. PPPs provide an opportunity to combine the strengths of the government and the private sector in realizing a vision of sustainable development. With huge economic potential and increasingly complex urban challenges, Indonesian cities can serve as laboratories to explore effective and locally relevant PPP models. Lessons learned from PPP implementation in Indonesian cities will not only be useful for national policy development but can also make important contributions to global discussions on public-private partnerships and sustainable urban development (Hossin et al., 2024).

Despite the many potentials, the implementation of PPPs also requires the readiness of government institutions to adapt to the dynamics of cross-sectoral cooperation. Experience in several cities in Indonesia shows that the success of PPPs is highly dependent on factors such as strong leadership, transparency of the process, and the existence of supportive regulations. In addition, community participation and involvement of local stakeholders in every stage of the PPP are also key to success, as this can increase accountability and ensure that the projects implemented are truly by the needs and aspirations of the community (Arslan et al., 2021).

At the same time, there are concerns that PPPs can lead to the privatization of essential public services, which in turn can reduce accessibility for disadvantaged groups in society. Therefore, local governments need to design PPPs carefully, ensuring that the balance between economic efficiency and social equity is maintained. By learning from the lessons from these cities, we can better understand how PPPs can be optimized to support broader sustainable development goals in Indonesia and other developing countries.

LITERATURE REVIEW

Public-Private Partnership (PPP)

Public-private partnership (PPP) is motivated by the government's awareness of its limitations in providing public services and overcoming social problems. In addition, with the concept of good governance, it is hoped that the role of community and private actors will be maximized in assisting development efforts carried out by the government, and with this PPP it is hoped that it can act as a facilitator (Esposito & Dicorato, 2020). The definition of Public-Private Partnership according to the World Bank states that the government is no longer the sole actor responsible for public problems so privatization is needed as an alternative to reforming its governance this government-private partnership is considered a strategy to involves the private sector (Whiteside, 2020).

Public Private Partnership (PPP) is a form of long-term agreement (usually more than 20 years) between the government, both central and regional, with private partners. Through this agreement, the expertise of both parties (government and private) collaborate in providing services to the community. In carrying out this cooperation, the potential risks and benefits of providing services or facilities are divided/shared between the government and the private sector (Cheng et al., 2021). Grimsey and Lewis describe PPP as an agreement where the public sector enters into a long-term contractual agreement with a private sector entity for the development or management of the public sector or the provision of public sector services. The definition includes and implies the main characteristics of PPPs, namely that the agreement between the public agency and the private partner must be a legally binding contract, the contract must be long-term, the PPP usually provides services in the

infrastructure sector, or the PPP may provide other services or services that are seen as the responsibility of the public sector (Batra, 2023).

Meanwhile, according to Ismowati, Public Private Partnership is one type of Privatization that is interpreted as an arrangement where the government requires capital incentives, the need for infrastructure with a long-term service life, and a combination of financing for the construction of desired facilities between the government and the private sector (most of the costs are usually financed by the private sector) (Rhama & Setiawan, 2020). Partnerships between the government and the private sector cannot only be interpreted as an effort to privatize, according to Aque PPP is not handing over the identity of the government, beliefs, and values of each partner and merging them into one. The government and private companies have a specific contract and have been regulated by duties and obligations that must be obeyed. The parties involved usually carry out their obligations using principles such as solidarity, and mutuality (Casady et al., 2024).

Klijn and Teisman emphasize the unique features of PPP, namely sharing a few elements between partners, that a PPP must be institutionalized as an arrangement between public and private actors where they share responsibility for products, risks, costs, and benefits. Vertakova and Plotnikov state that partnerships carried out by the government that require private involvement as one way to find effective solutions to overcome social problems outside of business interests and seeking profit (Vaslavskaya et al., 2022). The most effective public-private partnerships are education, health services, transportation system development, etc. With paradigm shifts, economic transitions, knowledge, and the encouragement of innovation, PPP is utilized as an alternative to solving problems in the field of education. The existence of PPP in the field of education, especially vocational education, can reduce unemployment because vocational education is linked and matched with the industrial world. In the G7 countries (Canada, France, Germany, Italy, Japan, the UK, and the USA), developed countries, and developing countries, PPP in the field of education is one of the priority areas (Sheng et al., 2020).

The government, beliefs, and values of each partner and merged into one. The government and private companies have a certain contract and have set tasks and obligations that must be obeyed. The parties involved usually carry out their obligations using principles such as solidarity, and mutuality. Klijn and Teisman emphasize the unique features of PPP, namely sharing a few elements between partners, that a PPP must be institutionalized arrangements between public and private actors where they share responsibility for products, risks, costs, and benefits (Galvin et al., 2021). Vertakova and Plotnikov state that partnerships carried out by the government that require private involvement as one way to find effective solutions to overcome social problems outside of business interests and seeking profit. Partnerships between the government and the private sector that are considered the most effective such as education, health services, development of transportation systems, etc. Paradigm shifts, economic transitions, knowledge, and the encouragement of innovation, PPP is used as an alternative to solving problems in the field of education. The existence of PPP in the field of education, especially vocational education can reduce unemployment, because vocational education is linked and matched with the industrial world. In the G7 countries (Canada, France, Germany, Italy, Japan, UK, and the USA), developed and developing countries, PPP in the field of education is one of the priority areas (Masuda et al., 2022).

In the implementation of Public Private Partnership there are several stages in the implementation of the agreement that have been mentioned by the Coordinating Ministry for Economic Affairs, some of these stages include:

1. Project Selection
   Project selection aims to attract private partners and maximize public benefits, by considering government policies and objectives, as well as limited resources and the readiness of the project to be worked on (Jayasena et al., 2022).

2. Public Consultation
   Public consultation is used to obtain the necessary advice regarding the design of a particular project from parties outside the government (Glyptis et al., 2020).
3. Feasibility Study
   feasibility study is conducted to fulfill the stages in government and private cooperation, this can determine the amount of government support needed (Chileshe et al., 2022).
4. Risk Review
   Risk review is used to identify various risks in a project and things that can reduce the risk of a project being implemented and the proposed transfer of risk (Le et al., 2022).
5. Form of Cooperation
   Cooperation between the private government can be implemented in various forms of agreements including BOT (Build, Operate, Transfer), BOO (Build, Own, Operate), BROT (Build, Rent, Operate, Transfer), KSO (Joint Operation), joint ventures (Akhtar et al., 2023).
6. Government Support
   Government support is carried out to know the potential financial viability of a project (Bertoldi et al., 2021).
7. Procurement
   The tender procurement process is carried out in stages, Project preparation, Pre-Qualification, Tender and Evaluation, Negotiation, and Contract making (Alshamrani et al., 2023).
8. Implementation
   The project implementation period is carried out from when a project is signed until the end of the project, for example when the assets are returned to the government or when the project is re-tendered, these stages consist of establishing a Business Entity, obtaining funding, construction, commissioning, operation and maintenance (Mansilla & Vassallo, 2020).
9. Supervision
   The purpose of monitoring the Public Private Partnership project is, to ensure that project operations are following regulations, ensuring that the work agreement is following the results of implementation, especially as required for tariff adjustments, Various problems, and changes that may arise (Amović et al., 2020).

METHOD

This research will be conducted using a qualitative approach to deeply understand the dynamics of public-private partnerships in the context of sustainable urban development in Indonesia. Through this approach, research data will be obtained from various credible sources, including research results and previous studies that are still relevant to the content of the research. The use of a qualitative approach allows researchers to explore the complexity of the relationship between the public and private sectors, identify the challenges faced, and analyze strategies that can maximize the success of this partnership. By collecting and processing data carefully, this research aims to find significant findings that can contribute to the development of PPP policies and practices in Indonesia. After the research data has been successfully collected, the data will be immediately processed through an in-depth analysis aimed at finding relevant patterns and providing new insights into the dynamics of PPP. The results of this analysis are expected to provide a comprehensive picture of the factors that influence the success of PPP, as well as practical recommendations that can be implemented by local governments and the private sector to increase the effectiveness and sustainability of PPP projects in the future. Thus, this research not only serves as a theoretical study but also as a practical guide for stakeholders in optimizing the potential of public-private partnerships for sustainable urban development in Indonesia.

RESULT AND DISCUSSION

Challenges and Needs of Sustainable Urban Development in Indonesia

The challenges of sustainable urban development in Indonesia are increasingly pressing along with rapid population growth and urbanization. Local governments, which are at the forefront of facing these challenges, are often faced with significant resource constraints. Budget constraints are

one of the main obstacles that make it difficult for local governments to finance infrastructure projects needed to support sustainable urban development. Infrastructure that includes public transportation, clean water, sanitation, and waste management often does not receive adequate funding allocations, so it is unable to meet the needs of the growing community. In addition, limited technical and managerial capacity also hinders local governments in planning and managing these projects effectively. These limitations result in many projects running slowly, not optimally, or even not being implemented, thus worsening the condition of urban infrastructure.

Amid these resource constraints, rapid population growth and urbanization add to the complexity of the challenges faced by local governments. Rapid urbanization not only increases the population in cities but also creates a greater need for infrastructure and public services. Cities in Indonesia are often unprepared for the population explosion, which puts great pressure on existing facilities. Roads are becoming increasingly congested, settlements are becoming slums, and basic services such as clean water and electricity are becoming increasingly difficult to access. This pressure is not only felt in big cities like Jakarta and Surabaya but also in rapidly developing medium-sized cities. This uncontrolled urbanization also has the potential to cause various social problems, such as increasing unemployment and crime, as well as increasing social inequality

In addition, rapid urbanization puts great pressure on the environment. Poorly planned development often ignores sustainability aspects, resulting in serious environmental damage. Uncontrolled land use for new settlements and infrastructure often results in the reduction of green areas and conservation areas, which ultimately has a negative impact on biodiversity and ecosystem balance. Air, water, and soil pollution are increasingly severe problems in large cities, where emissions from motor vehicles and industrial waste are not properly managed. This environmental degradation not only threatens public health but also reduces the overall quality of life and increases vulnerability to natural disasters, such as floods and landslides, which frequently hit urban areas in Indonesia.

Social and economic disparities are another increasingly prominent problem in the context of urban development in Indonesia. Uneven urban development often creates a wide gap between groups of people who can access basic services and those who are marginalized. Groups with low incomes tend to live in less developed areas, where infrastructure and public services are very limited. They often live in crowded, slum-like settlements, with minimal access to clean water, adequate sanitation, education, and health services. These inequalities not only worsen the living conditions of disadvantaged groups but also create social tensions that can undermine urban stability. In the long term, these social and economic disparities can hinder efforts to achieve inclusive and sustainable development, as the neediest groups often do not benefit from development.

The challenges of sustainable urban development in Indonesia are complex and interconnected. Limited local government resources, compounded by rapid population growth and urbanization, create enormous pressure on the environment and exacerbate social and economic disparities. This condition demands holistic and innovative solutions that can overcome resource constraints, better manage urbanization, protect the environment, and reduce social disparities. Sustainable urban development must be designed with all these aspects in mind so that it can provide equitable benefits to all levels of society, maintain ecosystem balance, and create more livable cities for future generations.

The Role and Potential of the Private Sector in Urban Development

The role of the private sector in urban development in Indonesia is increasingly vital along with the increasing need for infrastructure that supports economic growth and public welfare. In a context where the government often faces budget constraints to finance large projects, the private sector has emerged as a partner capable of providing significant financial

resources. The financial potential of the private sector allows for the acceleration of infrastructure development such as roads, bridges, public transportation facilities, and other public services that are badly needed in urban areas. In Indonesia, where public funding is often insufficient to cover development needs, private sector involvement is an important alternative to bridge the funding gap. The existence of the private sector also provides an opportunity to reduce the government's financial burden, so that the existing budget can be allocated to other pressing needs.

In addition to financial contributions, the private sector is also known for its ability to bring innovation and efficiency to urban projects. In the business world, the private sector is accustomed to the demand to continue to innovate to remain competitive. As private involvement in public projects increases, these innovations can be applied in the context of urban development. For example, the private sector can introduce new technologies, faster and more cost-effective construction methods, and more effective management solutions for infrastructure operations. This efficiency not only helps speed up project completion but also ensures that projects run on a more controlled budget and deliver better quality results. Innovation brought by the private sector also has the potential to improve the quality of public services produced, create added value for urban communities, and ultimately contribute to more sustainable development.

Collaboration between the public and private sectors is not only about the division of roles and responsibilities but also about how the two sectors can synergize to achieve common goals. Effective collaboration allows for more optimal utilization of resources, both in terms of finance, technical expertise, and managerial. The public sector, with a deep understanding of local needs and priorities, can provide strategic direction in project planning and implementation. On the other hand, the private sector can contribute the efficiency, innovation, and flexibility needed to face operational challenges that may arise during implementation. This synergy also creates a more conducive environment for project implementation, where both parties complement and support each other to achieve better results that are following community expectations. In the context of urban development in Indonesia, where challenges are often complex and multidimensional, strong collaboration between the public and private sectors is essential to ensure the long-term success of the infrastructure projects initiated.

However, despite the potential role of the private sector, their involvement in public projects does not always run smoothly. One of the main obstacles often faced is regulatory uncertainty, which can pose a major risk to private sector investment. In Indonesia, frequent regulatory changes and complex bureaucracy can be barriers for the private sector to actively participate in urban development. This uncertainty makes private companies hesitant to invest, especially in projects that require long-term commitments. In addition, political risks, such as changes in government policies or political instability, can also affect the private sector's confidence in engaging in public projects. Other obstacles include the lack of transparency in tendering and negotiation processes, which can create trust issues between the public and private sectors. To overcome these barriers, a clear and stable framework and open dialogue between the government and the private sector are needed so that both parties can work together better to achieve sustainable urban development goals.

The role and potential of the private sector in urban development in Indonesia is very important and diverse. Strong financial capacity, expertise in innovation and efficiency, and the potential to create synergistic collaboration with the government make this sector a key component in efforts to achieve sustainable development. However, to maximize the contribution of the private sector, challenges such as regulatory uncertainty and political risks must be addressed through a more stable policy framework and more transparent processes. By creating an environment conducive to private sector participation, Indonesia can accelerate urban development that not only meets current infrastructure needs but also creates

a solid foundation for future growth. Through close collaboration between the public and private sectors, sustainable and inclusive urban development in Indonesia is not just a dream, but an achievable goal.

Dynamics of Public-Private Partnerships in the Indonesian Context

Public-private partnerships (PPPs) in the Indonesian context present complex dynamics, where the relationship between the government and the private sector plays a crucial role in the success or failure of development projects. This relationship is often fraught with challenges related to differences in objectives, work cultures, and expectations between the two parties. The government, which focuses on public welfare and regulatory compliance, often has a different approach than the private sector, which tends to be more profit- and efficiency-oriented. These differences can create tensions in the project planning and implementation process, especially when it comes to strategic decision-making. Trust is a key factor in determining the success of this partnership, but it is not easy to build given the history of regulatory uncertainty, policy changes, and negative perceptions about the integrity of the tender process in Indonesia. Challenges in establishing effective coordination often arise when there is a misalignment between the interests of the government and the private sector, requiring strong communication and negotiation mechanisms to overcome these differences.

Risk management and benefit sharing are other aspects that influence the dynamics of PPPs in Indonesia. Risks in PPP projects are usually related to financing, construction, operation, and maintenance. The private sector may face significant financial risks, especially if the project involves a large initial investment and a long payback period. On the other hand, the government may be exposed to political and social risks, such as policy changes or community protests, which may affect the sustainability of the project. Benefit sharing is also a sensitive issue, as both parties have different expectations about how the benefits should be distributed. If not managed well, an imbalance in the sharing of risks and benefits can cause tensions that can hinder the progress of the project. Therefore, both parties need to agree on a fair and transparent mechanism for managing risks and benefits, taking into account the long-term interests and sustainability of the project.

The role of the government in facilitating PPPs is crucial to create a conducive environment for private sector involvement. The government is responsible for establishing a clear and stable regulatory framework that can provide legal certainty for private investors. Supportive regulations include not only legal aspects but also efficient administrative procedures that can minimize bureaucratic obstacles and accelerate the project approval process. In addition, the government must also ensure that PPP projects are in line with national and local development priorities so that the benefits can be felt by the wider community. In the context of Indonesia, where regional conditions vary greatly, the role of the government in adjusting PPP policies to local needs becomes increasingly important. The government also needs to act as a mediator who can resolve conflicts between various stakeholders, including the private sector, communities, and other groups, to ensure that PPP projects run smoothly and follow the objectives that have been set.

The involvement of local stakeholders is a crucial aspect that often determines the success of PPP projects in Indonesia. In many cases, projects initiated without involving the community and local stakeholders tend to face resistance, either in the form of social protests or legal obstacles. It is therefore important for governments and the private sector to adopt an inclusive approach to project planning and implementation. Engaging communities from an early stage, through public consultation and participation in decision-making, can help ensure that projects truly reflect local needs and aspirations. This involvement can also increase community ownership and support for projects, which in turn can reduce social risks and enhance long-term sustainability. In Indonesia, where cultural and social diversity is very high, an approach that is sensitive to the local context is key to

building successful and sustainable partnerships.

The dynamics of public-private partnerships in Indonesia are greatly influenced by the complexity of the relationship between the government and the private sector, the management of risks and rewards, the role of the government in facilitating the PPP process, and the involvement of local stakeholders. To achieve success in PPP projects, a coordinated and comprehensive effort is needed from all parties involved. The government must ensure that the existing regulatory framework supports private sector involvement and facilitates an efficient and transparent process. The private sector, on the other hand, must be willing to invest not only financially, but also in building strong relationships with the government and local communities. Thus, public-private partnerships can be an effective tool to advance urban development in Indonesia, by ensuring that the benefits of development can be felt by all levels of society and that the projects initiated can survive and thrive in the long term.

Strategies to Maximize the Success of Public-Private Partnerships

To maximize the success of public-private partnerships (PPPs) in urban development in Indonesia, strengthening the institutional capacity of local governments is a crucial first step. Local governments are often at the forefront of planning and implementing PPP projects, but their capacity is not always adequate to handle the complexities involved. This capacity building includes improving capabilities in strategic planning, project management, and monitoring and evaluation. Local governments need to be equipped with competent and experienced human resources in managing large and multi-sectoral projects. In addition, continuous training and access to the latest information and technology are essential to ensure that local governments can face challenges that may arise during project implementation. With stronger capacity, local governments will be able to manage PPPs more effectively, so that the risk of project failure can be minimized and the benefits generated for the community can be maximized.

Transparency and accountability are also key elements that determine the success of PPPs. In the Indonesian context, where issues such as corruption and bureaucratic inefficiency are still challenges, ensuring transparency at every stage of the PPP process is something that cannot be ignored. Transparency must begin at the planning stage, where information about the project, budget, and parties involved must be openly conveyed to the public. The use of information technology, such as a digital-based project management system, can help increase transparency by providing easier and faster access to project data and reports. In addition, accountability in budget management and performance reporting needs to be strengthened through independent and participatory monitoring mechanisms. The government must ensure that every budget used in PPP projects is strictly audited, and the results of the project must be reported clearly and transparently to the public. Thus, public trust in PPP projects can be maintained, and the potential for irregularities or corruption can be minimized.

An inclusive approach in PPP project planning and implementation is also an important strategy that needs to be implemented. Involving various stakeholders, including local communities, NGOs, and the private sector, in the decision-making process can improve the quality of planning and ensure that the implemented project is following the needs and aspirations of the community. Community involvement is not only important for the legitimacy of the project but also to increase the effectiveness of its implementation. When the community feels involved and has ownership of the project, they are more likely to support and maintain the sustainability of the project. This participatory process can be done through public consultations, discussion forums, and structured feedback mechanisms. In addition, the government and the private sector must ensure that information about the project is conveyed clearly and easily understood by all levels of society so that they can participate actively and

informatively. With an inclusive approach, PPP projects will not only be more relevant and responsive to local needs, but also more sustainable in the long term.

The development of policies that support PPPs is also an important aspect of maximizing the success of this partnership. Clear, consistent, and supportive policies and regulations are essential to creating a conducive environment for private sector involvement. The government needs to formulate policies that not only encourage private sector participation but also provide legal certainty and protection against risks that may arise during project implementation. Supportive policies must also include incentives for the private sector, such as tax breaks, ease of licensing, and access to financing. In addition, existing regulations need to be adjusted to local conditions and community needs, so that PPP projects can be implemented more flexibly and adaptively. In Indonesia, where regional conditions vary greatly, supportive policies need to be designed with specific local contexts in mind. The government must also ensure that existing regulations do not stifle innovation, but instead, provide space for the private sector to develop creative and innovative solutions that can accelerate sustainable urban development.

Strategies to maximize the success of PPPs in Indonesia must be holistic and comprehensive, including strengthening local government capacity, increasing transparency and accountability, inclusive approaches to planning, and developing supportive policies. By adopting these strategies, public-private partnerships can be an effective tool to advance urban development in Indonesia, ensuring that projects initiated are not only financially successful but also provide sustainable benefits to the wider community. Through close collaboration and good coordination between the government, private sector, and communities, PPPs can become a key pillar in sustainable and inclusive urban development in Indonesia.

CONCLUSION

Public-private partnerships (PPPs) have great potential to drive sustainable urban development in Indonesia. However, the success of these partnerships depends heavily on several factors, including strengthening the institutional capacity of local governments, increasing transparency and accountability, and adopting an inclusive approach to project planning and implementation. The involvement of the private sector, with its financial and innovative capabilities, is also a crucial element that can fill the gaps that cannot be fully addressed by the government. However, challenges such as the complexity of the relationship between the public and private sectors, as well as the management of risks and benefits, remain major concerns that need to be carefully managed. To maximize the success of PPPs, a holistic and comprehensive strategy is needed, including the development of policies that are supportive and adaptive to local conditions. The government needs to play a proactive role in creating an environment conducive to collaboration between the public and private sectors, and ensuring that PPP projects are carried out following national and local development priorities. With the right approach and effective coordination between all stakeholders, PPPs can be one of the main solutions to addressing urban development challenges in Indonesia, while ensuring that the benefits can be felt evenly by all levels of society.

REFERENCES

Akhtar, M., Mufti, N. A., Mubin, S., Saleem, M. Q., Zahoor, S., & Ullah, S. (2023). Identification of Various Execution Modes and Their Respective Risks for Public–Private Partnership (PPP) Infrastructure Projects. *Buildings*, *13*(8), 1889.

Almarri, K., & Boussabaine, H. (2023). Critical success factors for public–private partnerships in smart city infrastructure projects. *Construction Innovation*.

Alshamrani, O. S. D., Saleem, M., AlYousif, I. K., & Alluqmani, A. (2023). Development of a pre-qualification and selection framework for construction projects' contractors in Saudi Arabia. *Journal of Asian Architecture and Building Engineering*, *22*(3), 1545-1563.

Amović, G., Maksimović, R., & Bunčić, S. (2020). Critical success factors for sustainable public-private partnership (PPP) in transition conditions: An empirical study in Bosnia and Herzegovina. *Sustainability*, *12*(17), 7121.

Arslan, A., Golgeci, I., Khan, Z., Al-Tabbaa, O., & Hurmelinna-Laukkanen, P. (2021). Adaptive learning in cross-sector collaboration during global emergency: conceptual insights in the context of COVID-19 pandemic. *Multinational Business Review*, *29*(1), 21-42.

Batra, R. (2023). Review of public–private partnerships across building sectors in nine European countries: Key adaptations for PPP in housing. *Engineering, Construction and Architectural Management*, *30*(7), 2904-2927.

Bertoldi, P., Economidou, M., Palermo, V., Boza-Kiss, B., & Todeschi, V. (2021). How to finance energy renovation of residential buildings: Review of current and emerging financing instruments in the EU. *Wiley Interdisciplinary Reviews: Energy and Environment*, *10*(1), e384.

Casady, C. B., Cepparulo, A., & Giuriato, L. (2024). Public-Private Partnerships for Low-Carbon, Climate-Resilient Infrastructure: Insights from the Literature. *Journal of Cleaner Production*, 143338.

Cheng, Z., Wang, H., Xiong, W., Zhu, D., & Cheng, L. (2021). Public–private partnership as a driver of sustainable development: Toward a conceptual framework of sustainability-oriented PPP. *Environment, Development and Sustainability*, *23*, 1043-1063.

Chileshe, N., Njau, C. W., Kibichii, B. K., Macharia, L. N., & Kavishe, N. (2022). Critical success factors for Public-Private Partnership (PPP) infrastructure and housing projects in Kenya. *International Journal of Construction Management*, *22*(9), 1606-1617.

Desdiani, N. A., Sabrina, S., Husna, M., Budiman, A. C., Afifi, F. A. R., & Halimatussadiah, A. (2022). Local budget resilience in times of Covid-19 crisis: Evidence from Indonesia. *Economies*, *10*(5), 108.

Esposito, P., & Dicorato, S. L. (2020). Sustainable development, governance and performance measurement in public private partnerships (PPPs): A methodological proposal. *Sustainability*, *12*(14), 5696.

Galvin, P., Tywoniak, S., & Sutherland, J. (2021). Collaboration and opportunism in megaproject alliance contracts: The interplay between governance, trust and culture. *International Journal of Project Management*, *39*(4), 394-405.

Glyptis, L., Christofi, M., Vrontis, D., Del Giudice, M., Dimitriou, S., & Michael, P. (2020). E-Government implementation challenges in small countries: The project manager's perspective. *Technological Forecasting and social change*, *152*, 119880.

Hossin, M. A., Alemzero, D., Abudu, H., Yin, S., Mu, L., & Panichakarn, B. (2024). Examining public private partnership investment in energy towards achieving sustainable development goal 7 for ASEAN region. *Scientific Reports*, *14*(1), 16398.

Jayasena, N. S., Chan, D. W., & Kumaraswamy, M. M. (2022). Is public–private partnership (PPP) a preferred strategy for procuring smart infrastructure in developed countries: an empirical study of the perceived benefits, barriers and recommended strategies. *Sustainability*, *14*(11), 6421.

Le, P. T., Kirytopoulos, K., Chileshe, N., & Rameezdeen, R. (2022). Taxonomy of risks in PPP transportation projects: a systematic literature review. *International Journal of Construction Management*, *22*(2), 166-181.

Mansilla, P., & Vassallo, J. M. (2020). Innovative infrastructure fund to ensure the financial sustainability of PPP projects: The case of Chile. *Sustainability*, *12*(23), 9965.

Masuda, H., Kawakubo, S., Okitasari, M., & Morita, K. (2022). Exploring the role of local governments as intermediaries to facilitate partnerships for the Sustainable Development Goals. *Sustainable Cities and Society*, *82*, 103883.

Rhama, B., & Setiawan, F. (2020). Asssessing Public Private Partnership in Indonesia

Tourism. *Policy & Governance Review*, *4*(3), 197-209.

Rohman, M. A. (2022). Assessment of the government's role performance in public-private partnership (PPP) toll road projects in Indonesia. *Journal of Financial Management of Property and Construction*, *27*(2), 239-258.

Sheng, M., Sreenivasan, A. V., Sharp, B., Wilson, D., & Ranjitkar, P. (2020). Economic analysis of dynamic inductive power transfer roadway charging system under public-private partnership–Evidence from New Zealand. *Technological forecasting and social change*, *154*, 119958.

Surya, B., Salim, A., Hernita, H., Suriani, S., Menne, F., & Rasyidi, E. S. (2021). Land use change, urban agglomeration, and urban sprawl: A sustainable development perspective of Makassar City, Indonesia. *Land*, *10*(6), 556.

Vaslavskaya, I., Vaslavskiy, Y., & Pilipenko, A. (2022). Institutional Matrices: Modeling Organizational Forms of Public-Private Partnerships for Public Goods' Quality Improvement. *Quality-Access to Success*, *23*(190).

Whiteside, H. (2020). Public-private partnerships: market development through management reform. *Review of International Political Economy*, *27*(4), 880-902.