

## SUMMARY

RISMAN MOHAMMAD RIZAL. The Success Factors of Public-Private Partnership (PPP) for Infrastructure Development in Indonesia. Supervised by DS PRIYARSONO and HENY K SUWARSINAH.

Indonesian Government has set development goals in which infrastructure is one of the main instruments to foster national economic growth. Nevertheless, government's financial capacity is so limited that it is not sufficient for financing all infrastructure development projects. That is the reason for the government to invite the private sector to participate in the infrastructure development projects which is called Public Private Partnership (PPP). Every year the government publishes a list of infrastructure development plans that are ready to be executed under the PPP schemes.

This thesis reports the results of an econometric analysis (i.e., logistic regression) to identify the factors that are responsible for the success of the infrastructures development plan under PPP schemes in the years of 2009-2015. It was found that government supports, results of cost-benefit analysis (i.e., financial internal rate of return), and the economic sector to which the infrastructure belongs were the significant factors for the success of PPP schemes, with government support was identified as the most significant factor among the others.

To enrich the results of the econometric analysis, some case studies about infrastructure development in Indonesia and foreign countries especially in PPP are discussed. Those case studies represent the significant factors and some problems that occur in the PPP project (i.e. risk sharing and land acquisition). Based on these findings and the results of the literature review on related topics, some suggestions to enhance the implementation of infrastructure development under PPP scheme are proposed.

Implications of this research are more emphasized on how public policy issued. The government needs to ensure the existence and type of support or incentives that provided to private parties. The government also needs to encourage the involvement of State-Owned Enterprises that operate in infrastructure sectors to participate in developing PPP continuously. Credibility and validity of the project feasibility study also need to be improved, especially in terms of financial returns. The involvement of experienced independent consultants to analyze the feasibility studies of PPP projects may be necessary. The selection of infrastructure sectors, regulations, and approaches to stakeholders also needs to be addressed, so that PPP projects can be implemented more effectively.

Keywords: Indonesia, infrastructure, logistic regression, Public-Private Partnership