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Application of The PPP Scheme on The Tourism-Transportation Case Study: The Concept of Palopo City Tourism

Amiruddin Akbar Fisu [1], Zulham Hafid [2], Windra P. Humang[3], Rakhmawati Natsir [4]

[1,4] *Universitas Andi Djemma, Indonesia*
[2] *Palopo Urban Forum, Indonesia*
[3] *Badan Riset dan Inovasi Nasional, Indonesia*
Email: [1]amiruddinakbarfisu07@gmail.com, [2]myzulham@gmail.com, [3]windrahumang@gmail.com, [4]wathi07@gmail.com

Abstract

The stipulation of the Palopo City Regional Tourism Development Master Plan 2021 – 2025 makes the Palopo City tourism sector quite optimistic after the beginning of the pandemic. Until 2030, Palopo City targets 250,000 domestic tourists and 1800 foreign tourists. The tourism potential of Palopo City, especially in urban areas is quite promising with the construction of a culinary center and souvenirs, public space activities, and the development of culinary businesses. These potentials must be supported by adequate facilities and infrastructure, including accessibility. Meanwhile, public transportation in Palopo City is considered inadequate and not integrated with each other. The concept of Palopo City Tourism offers the integration of tourism activities in the urban areas of the city of Palopo by providing integrated tourism transportation modes, equipped with supporting infrastructure such as bus stops. However, the implementation of the concept will be constrained by funding problems given the limited regional finances and the demand to prioritize sectors that are more strategic than tourism. This paper will see how the implementation of the PPP scheme in the tourism sector, especially in the transportation aspect, namely in the concept of Palopo City Tourism, both in development, operation and potential benefits. From the results of the analysis of movement patterns and the location of tourist objects, 3 optimal routes were chosen that could accommodate the movement of tourists, namely the southern route, western route and northern route. From the results of the analysis of infrastructure needs, it is necessary to develop infrastructure in the form of shelters and pedestrian paths and their accessories at tourist attraction points and several commercial areas. In addition, several PPP financing schemes are also proposed which are considered suitable for the City Tour Palopo concept, including Concessions and Affermage/Lease schemes, such as Service Contracts and Management Contracts, Design-Build-Finance-Operate/Maintain (DBFO, DBFM or DBFO). /M), Build-Own-Lease-Transfer (BOLT).

Keywords

City Tourism; Tourism Transportation; Palopo; PPP;

1. BACKGROUND

Tourism has a broad multiplier effect, so that it can increase regional income through user fees and can also increase people's per capita income **(Pascariu & Ibănescu, 2018)**. This is due to the increasing expansion of economic activities by tourists not only in tourism locations, but also economic activities outside of tourism **(Shuifa et al, 2011)**. The great potential of the tourism industry is in line with the need for relatively large development costs in each region, is not supported by the availability of sufficient funds. The General Allocation Fund (DAU) as a source of APBD is generally not sufficient to meet regional management needs **(Mardiasmo, 2002)**. Therefore, regional governments need to collaborate with the private sector regarding financing. Tourism on the one hand is strongly influenced by government regulations or policies, but on the other hand it is driven by private interests **(Novolodska et al, 2018)**.

In its function as a promoting factor and serving factor, the transportation sector has played an important role as the lifeblood of the economy **(Sharif, et al 2020)**. The development of the transportation sector is intended to mobilize various regional potentials in this case the tourism sector.

With the availability of services for transportation, it can increase tourism development and increase the number of tourists because access to urban areas becomes smoother and the costs incurred are getting cheaper **(Kolupaev et al, 2018)**. Transport and travel can be discussed without considering tourism, but tourism cannot develop without travel and other aspects of transportation **(Mishra et al, 2020)**. For this reason, the transportation aspect in the tourism sector is a vital aspect in the sustainability of tourism activities in a region.

Public Private Partnership is a collaboration between a public institution and a private company formed because of several synergistic benefits and is carried out by sharing profits and risks **(Novolodska et al, 2018)**. Most public-private partnerships can be found in the development, financing, implementation, and management of infrastructure **(Muhm, 1998)**. Public Private Partnership (PPP) is an arrangement between the government and private entities in the provision of infrastructure services and is one way to obtain additional funding sources for infrastructure investment **(Djabbari et al 2021)**. Through government-private cooperation, expertise and assets from the government and the private sector cooperate in providing services to the community and carry out cooperation where the potential risks and benefits in providing services or facilities are shared between the government and the private sector or private organizations that are invited to cooperate.

The stipulation of the Palopo City Regional Tourism Development Master Plan 2021 – 2025 makes the Palopo City tourism sector quite optimistic after the initial era of the pandemic. Until 2030, Palopo City targets 250,000 domestic tourists and 1800 foreign tourists **(Ripparda Palopo City, 2021)**. The tourism potential of Palopo City, especially in urban areas is quite promising with the construction of a culinary center and souvenirs, public space activities, and the development of culinary businesses. Of course, these potentials must be supported by adequate infrastructure, facilities and infrastructure, including accessibility. Meanwhile, public transportation in Palopo City is considered inadequate and not integrated with each other. The concept of Palopo City Tourism offers the integration of tourism activities in the urban area of Palopo city by providing integrated tourism transportation modes, equipped with supporting infrastructure such as bus stops. This paper will look at how the implementation of the PPP scheme in the tourism sector, especially in the transportation aspect, in which within the concept of Palopo City Tourism.

2. LITERATURE REVIEW

2.1 City Tourism

According to the UNWTO (World Tourism Organization), City Tourism refers to Urban Tourism, where urban tourism is the journey taken by tourists to cities or places with high population density. The duration of these trips is usually short (one to three days) therefore it can be said that Urban Tourism is closely related to the short-term tourism market **(UNWTO, 2002)**. Tourists come to big cities because of the desire to feel and see the diversity that exists in the city. In this case, a city is a melting pot of national culture, art, music, literature and of course grand architecture and urban design. It is the concentration, variety and quality of urban tourism activities and attributes that create their appeal and place cities on the tourism map **(UNWTO, 2012)**.

The development of city tourism is driven by spatial, social, economic and technological strengths. The process of urbanization causes a rapid increase in the number of people living in urban areas and also living an urban lifestyle, and increasing the movement of tourism travel **(ETOA, 2014)**. The growth of city tourism occurs in both developed and developing countries. In 2014, the market share of city tourism was 21% in Europe, 17% in North America, 25% in Asia-Pacific and 22% in Latin America **(GPA International, 2016)**.

The economic and socio-spatial implications of city tourism are significant. At the global, national, regional and local levels, city tourism has become an important economic driver. Nationally, city tourism outperforms other tourism sectors with GDP growth **(Roland Berger, 2012)**. Regionally and locally, city tourism is considered an incubator of innovation and technology **(Terzibasoglu, 2016)** and one of the key factors in the urban economy and urban development. City tourism creates jobs, stimulates foreign exchange through income and taxes, and encourages investment in infrastructure and the provision of public services **(UNWTO, 2012)**. In other studies it is said that city tourism can increase public awareness of cultural heritage buildings and become tolerant and

respectful of each other **(Brooks, 2016)**. A study involving 2600 respondents in Copenhagen, Berlin, Munich, Amsterdam, Barcelona and Lisbon revealed that urban people value a positive atmosphere, life and tourism activity in their cities and protect cultural heritage buildings that are part of their city's history **(Koens and Postma, 2017)**.

2.2 PPP

The International City/County Management Association **(ICMA, 2017)** states that in addition to traditional infrastructure funding through APBN/D, there are several other alternatives for infrastructure financing, namely: (1) new funding sources; (2) new financing mechanisms; or (3) a new funding pattern. New sources of funding could be additional sources of income to finance infrastructure projects. Meanwhile, a new financing mechanism could take the form of a new flexible and/or potentially cost-effective loan method to finance an infrastructure project. Finally, new financing patterns may involve new partners (private, non-profit organizations, or communities) to participate in infrastructure financing and project implementation.

The involvement of the private sector in infrastructure financing is carried out through the PPP scheme, among others. In Presidential Regulation Number 38 of 2015, PPP is defined as cooperation between the government and business entities in the provision of infrastructure for the public interest by referring to the specifications previously determined by the Minister/Head of Institution/Head of Region/State-Owned Enterprises/Regional Owned Enterprises, which partly or wholly uses the resources of the Business Entity with due observance of the risk sharing among the parties. PPPs can bridge the fulfillment of some of the infrastructure funding needs through the participation of the private sector. This collaborative model allows the transfer of responsibility for the financing, design and construction of an infrastructure project, as well as responsibility for the operation and maintenance of infrastructure to the private sector. In several developing countries such as India, Mexico and Brazil, this PPP model has made a very significant contribution in meeting infrastructure funding needs, reaching around 25-30% of their total funding needs. There are several reasons why many countries make the PPP scheme an important scheme in infrastructure provision.

Cheung et al. (2009) mentioned the reasons for using the PPP scheme in the UK are more related to financial elements such as a shortage of Government spending, economic pressures that require more infrastructure, and a reduction in restrictions on public investment. Meanwhile, in Hong Kong and Australia, the reasons for improving the overall performance of public projects are more. More specifically Walker et al. states that there are at least 3 (three) reasons for implementing the PPP scheme. First, the private sector has better mobility than the government. Second, the private sector is able to provide better public services and is able to build a balanced partnership so that it can better manage the risk-return structure. Third, the government is considered incapable of raising massive funding for large-scale infrastructure projects **(Cheung et al., 2009)**.

The increasing role of the private sector in providing infrastructure is in line with the direction of infrastructure development in the 2015-2019 National Medium-Term Development Plan (RPJMN), namely in the context of: (1) strengthening national connectivity to achieve balanced development; (2) accelerate the provision of basic infrastructure (housing, clean water, sanitation, and electricity); (3) guarantee water, food and energy security to support national security; and (4) developing urban mass transportation, all of which are implemented in an integrated manner and by increasing the role of government and private sector cooperation (hereinafter referred to as Business Entities).

However, the PPP scheme also contains several limitations. According to UNESCAP, these limitations include: (1) not all infrastructure projects can be implemented under a PPP scheme, depending on political, legal, commercial feasibility, and others; (2) the possibility that the private sector is not interested because of the high implementation risk or lack of capacity in project implementation; (3) PPP projects may be relatively more expensive unless additional costs can be offset by efficiency advantages; (4) requires adequate sector and market reforms; and (5) often the success of a PPP depends on the efficiency of the regulations.

Given that the PPP project will be offered to the private sector, the financial feasibility of the project is a matter of great concern to the Government. If a PPP project is not financially viable but economically viable, the Government can provide various supports so that the project can be

financially viable. This Government support is very important to attract the interest of the private sector in financing the provision of infrastructure **(UNESCAP, 2009)**.

2.3 RIPPARDA Overview

The Palopo City RIPPARDA document has accommodated the transportation aspect, which is intended to support the development of tourism to provide easy access, convenience, and security for the movement of tourists to destinations and the movement of tourists within the DPD. **The concept of City Tourism** is not explicitly mentioned in the RIPPARDA document, but in principle it is very much in line with the goals and principles contained in the document. The RIPPARDA document only stipulates the location and tourism destinations in Palopo City and its development strategy but **does not mention how the financing scheme and funding** for tourism infrastructure development and its supporting facilities are.

3. METHODS

The method used in the preparation of this paper is a qualitative descriptive method which can be interpreted as a problem-solving procedure investigated by describing the current state of the subject/object based on visible facts **(Nawawi, 2003)**. The descriptive method used is a discussion of existing conditions, potentials and challenges, proposed concepts and ideas, and financing schemes. The flow chart for writing this paper can be seen in the image below:

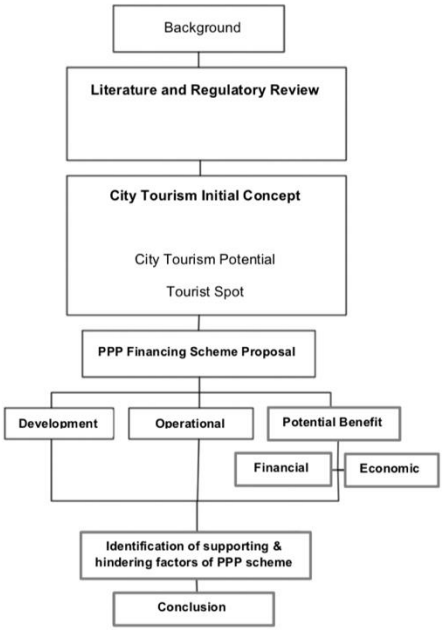


Figure 1. Writing flowchart

4. DISCUSSION

4.1 Palopo City Community and Tourist Activity Patterns

In theory, community activities will greatly affect the orientation or pattern of population movement. Activities are characterized by land use characteristics or spatial patterns. These land use characteristics will then form a spatial structure with activity centers carrying out certain service functions. The hierarchy of activity centers will form growth centers as areas of attraction and service areas can be interpreted as hinterlands or generating areas. Therefore, the factors of land use, population distribution, availability of infrastructure, and other facilities found in the center of activity and the urban/ rural hierarchy greatly affect the pattern of population movement.

The pattern of transportation activity in Palopo City is determined by the mobilization of goods and passengers driven by the development of economic areas, tourism, production, and services both internally and externally from and to the Palopo City area. In addition, it is also based on the movement of the community which then forms a spatial structure by developing a system of urban

settlement centers (urban system) for the main functions of urban services, the relationship between urban settlement centers and the orientation of the movement of goods and passengers.

The development of transportation activity patterns also cannot be separated from the growth centers of the Palopo City area, namely the most developed activity centers in Palopo City, including Kec. Wara, District. East Wara and North Wara. The regional growth center is divided into the Regional Activity Center (PKW) in the Wara Urban Area as the center of government; Local Activity Centers in each sub-district capital in Palopo City.

In simple terms, the orientation of the movement of goods and passengers in Palopo City occurs from activity centers with a lower hierarchy to a higher hierarchy of activity centers. Movements occur between growth centers which in turn result in the distribution of movement, both population and goods. The linkages between these areas are connected by the existing road network system and are supported by the development of future road networks. For the orientation of the movement of tourists, most of them lead to areas with urban characteristics in Palopo City.

The condition of the movement of people in this discussion includes the number of generation and attraction as well as the distribution of movement in the Palopo City area. The pattern of movement of people in Palopo City obtained in the field, either through direct observation or from public information about the potential for movements that occur internally and externally. Internal movements include movements between sub-districts within the Palopo City area. The potential for movement between sub-districts is basically influenced by various activities and needs, especially socio-economic activities. The existence of facilities in each sub-district is a factor that has the potential for movement, both movements that occur within the sub-district itself, and movements that occur between sub-districts. The amount of movement that takes place locally (within the sub-district area) is largely determined by the type and number of existing environmental facilities.

For the internal scope of Palopo City, the potential for movement can be seen from the number of people who move, in this case it is assumed that the potential population of productive age (15-65 years) is 67.58% of the total population of Palopo City in 2019 or 124.755 people. To find out the potential for residents who can perform movement in Palopo City, can be seen in the following table.

Table 1. Movement Potential of Palopo City 2020

No	Sub-District	Number of Residents	Movement Potential	Percentage (%)
1	South Wara	12.106	8.181	6,56
2	Sendana	6.829	4.615	3,70
3	Wara	39.955	27	21,64
4	East Wara	39.701	26.828	21,50
5	Mungkajang	8.279	5.595	4,48
6	North Wara	23.621	15.962	12,79
7	Bara	28.781	19.449	15,59
8	Telluwanua	13.911	9.401	7,54
9	West Wara	11.431	7.725	6,19
Palopo City		**184.614**	**124.755**	**100,00**

Source: Analysis 2021

From the table, it can be seen that the potential population that moves the most is in Wara District (21.64%), East Wara District (21.50%) and Bara District (15.59%). Wara and East Wara sub-districts are the most developed sub-districts considering this area has characteristics as an urban area. The lowest potential population movement is Sendana District (3.70%), West Wara District (6.19%) and South Wara District (6.56%). Most of these sub-districts still have characteristics as non-urban areas, where their activities are still dominated by agrarian activities such as agriculture, plantations, ponds and forests.

The distribution of internal movement of Palopo City can be seen from the potential of each existing sub-district. The distribution of movement is largely determined by the type of activity and the number of residents in a land use. The higher the intensity of land use, the higher the generation and pull that occurs. The distribution of this movement will form a pattern and reflect how much

interconnectedness and dependence there are between sub-districts. The smooth distribution of movement is also influenced by the mode of transportation used so that the availability of infrastructure networks and transportation services also greatly affects the distribution of existing movements. The Palopo urban area, which is located in the Wara, East Wara, Bara, and North Wara sub-districts and at the same time becomes the center of regional activities, certainly produces a large number of generation and attraction movements. Sub-districts adjacent to sub-districts that have potential will have a major influence on movement and are generally focused on adjacent sub-districts. The concentration of activities and the development of environmental infrastructure and facilities that have a fairly large level of intensity in attracting movement has resulted in the area becoming congested.

Accessibility to Wara District, North Wara District, East Wara District and Bara District, almost all of which have urban characteristics, is classified as smooth although there are points that have the potential to experience delays. The performance of road transport service capacity in urban areas is also still low because it has not been supported by public transport services for the internal scope of the city so that the capacity is still insufficient. The performance of public transportation services related to the integration factor can be seen in the role of the existing transportation terminals that have not shown significant integration. The location of the terminal which is in the center of activity as a place to raise and lower passengers is one of the factors that causes low road performance.

Transportation performance, still tends to be smooth and fast, but tends to be low because public transportation services are only served by motorcycle taxis, pedicab and online transportation which are paratransit so that it affects the process of passenger movement. Likewise with the comfort factor, this performance still tends to be low because the type of vehicle that operates is only motorcycle taxis with very minimal capacity, causing discomfort in driving. For areas outside urban areas, such as West Wara District, Sendana District and Mungkajang District, public transportation has not been served regularly. To get the spread of movement in Palopo City, data on the potential working age population is used and calculated mathematically through the gravity method. The results of this calculation show that the population distribution has a relationship with the number of working age residents who have the potential to move between sub-districts within Palopo City. The following are the results of the identification of the distribution of movements that occur between sub-districts in Palopo City.

Table 2: Origin Destination Movement Potential of Palopo City in 2020

Zones		Destinations									Sum Total	%
		South	Sendana	Wara	East	Mungkajang	North	Bara	Telluwanua	West		
Origin	South Wara		335	2255	2320	379	1192	1315	565	558	8920	7,24
	Sendana	335		1234	1224	223	635	731	314	314	5010	4,06
	Wara	1948	1066		7809	1329	4048	4597	2006	1984	24786	20,11
	East Wara	1996	1054	7777		1285	3943	4560	1961	1929	24504	19,88
	Mungkajang	394	232	1599	1553		799	946	407	407	6337	5,14
	North Wara	1152	614	4528	4429	743		2905	1249	1192	16812	13,64
	Bara	1271	707	5144	5123	879	2905		1615	1373	19017	15,43
	Telluwanua	546	304	2244	2203	378	1249	1615		591	9130	7,41
	West Wara	540	304	2219	2167	379	1192	1373	591		8765	7,11
Sum Total		8181	4280	24745	24508	5216	14770	16728	8143	7790	**123281**	
%		6,64	3,47	20,07	19,88	4,23	11,98	13,57	6,60	6,32		123281

Source: Analysis 2021

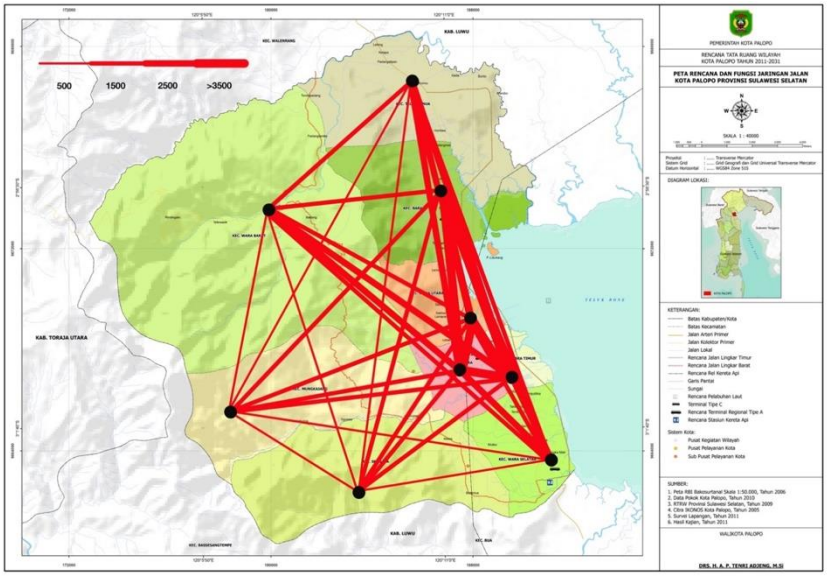


Figure 2: Map of Desired Line movement between zones of Palopo City

4.2 Analysis of Supporting Facilities and Infrastructure Needs for Palopo City Tourism

The development of tourism in a destination is not only seen from the availability or carrying capacity of stand-alone elements, such as accommodation, entertainment or tourist attractions. A destination requires a combination of services between various elements of tourism, not only the availability of tourist attractions, but also multidimensional services. Accommodation, transportation and entertainment become one unit in providing maximum service to tourists. In fact, tourists' needs for accommodation while in Palopo City have been met with the availability of several hotels, restaurants and transportation. The mode of transportation is an important part in supporting the policy of the Palopo City Regional Master Plan for Tourism. For now, the most frequently used transportation is local-based transportation such as ojek, pedicab, online ojek, and bentor (motorized tricycle). In addition, there are also car rental/rental services. For inter-regional public transportation, there are city transportation with several routes.

To support urban tourism activities related to mode integration, adequate transportation facilities and infrastructure are needed to support tourism activities and other derivative activities. To integrate modes, especially road-based transportation modes, a comprehensive transportation system is needed to support tourism activities in Palopo City.

a. Activity system

The need for transportation is directly related to the distribution and intensity of different land use plots within the Palopo City area. Transportation planning for the future always starts with changes and developments in land use or activity systems in an area. Therefore, it is important to know land use planning in planning transportation systems.

The activity system or land use has certain types of activities that will generate movement and will attract movement in the process of meeting needs. This system is a system of patterns of land use activities consisting of a system of patterns of social, economic, cultural and other activities. The amount of movement is closely related to the type and intensity of the activities carried out.

The main activity system that will be accommodated in the planning of mode integration facilities is tourism, which will be integrated with activity centers, both regional activity centers and local activity centers.

Based on the Palopo City Regional Tourism Development Master Plan, there are 48 regional tourism development areas (KPPD), in nine sub-districts, and 58 tourist attractions (DTW) in three regional tourism destinations (DPD) which can be seen in the following table:

Table 4: Identification of tourism spots in the city tourism concept of Palopo City

Tourist Attraction (DTW)	Culinary Tourism Potential	Shopping Tourism Potential
DTW Bukit Sampoddo	Lesehan Asri	City Market
DTW Islamic Centre	Lesehan Lela	Pasar Central
DTW Waekambas	Café Faris	Menara Payung
DTW Pantai Binturu	Lesehan Mandiri	Mega Plaza
DTW Taman I LOVE PALOPO	Kuiner Jalan Lingkar	Pusat kuliner & Oleh-oleh
DTW Pantai Labombo	The Icon	Opsal Plaza
DTW Pelabuhan Tanjung Ringgit	Café Solata	
DTW Tempat Pelelangan Ikan	La Veccia Cafe	
DTW Gedung Kesenian	Kopi Bisang	
DTW Gereja PNIEL	New Up Street	
DTW Istana Langkana'e	Café Kalibre	
DTW Lapangan Pancasila	Enzyme Eatery	
DTW Sungai Jodoh	9 room	
DTW Air Terjun Siguntu	Kopi Koma	
DTW Air Terjun Baba	Sudut Kopi	
DTW Kambo Highland	Sweetnes	
DTW Pasar Modern	Rabbids Cofee	
DTW Taman Kirab	Finare	
DTW Masjid Agung	Titik Nol	
DTW Masjid Jami' Tua	Hill & Tiff	
	Café Lain Hati	
	Kata Kopi	
	Emwe Drink	
	Kampoeng Seafood	
	Bakso Songka	

Source: Analysis 2021

b. Network system and movement

The network system is a mode of transportation (means) and media (infrastructure) where transportation modes move. The network system includes: a network system of roads, railways, bus terminals, railway stations, airports and seaports. While the movement system is caused by the interaction between the activity system and the network system. The existing movement system is a system of movement of people and humans.

Palopo City has been accommodated by a road network that connects activity centers and activity systems. The total length of roads in Palopo City in 2019 was recorded at 502 km, with the Telluwanua District having the largest road length of 76.65 km while the smallest is Sendana District, which is 33.13 km long. The road pattern in Palopo City has a grid pattern and spreads over urban areas, and extends to areas with rural characteristics. In planning the network system, city tourism transport routes that accommodate tourist attractions, public facilities, and other strategic places.

c. System of facilities and infrastructure

To optimize the network system and movement, it is necessary to plan facilities and infrastructure to support Palopo City Tourism. The planned facilities include public transport stops, traffic signs and markings, and pedestrian facilities.

a) Public Transport Stops

The existence of stopping places along public transportation routes is very necessary (Government Regulation No. 41 of 1993 concerning road transportation (article 8), and their placement is arranged in such a way as to suit their needs and must comply with the requirements that have been regulated and stipulated. According to the Directorate General Land Transportation (1996) Types of Public Passenger Vehicle Stopping Places (TPKPU) consist of: 1) Protected stopping places (buses); and 2) Unprotected stop (bus stop)

A bus stop is a place where public passenger vehicles stop to pick up and drop off passengers, which are equipped with buildings. While the bus stop is a place to raise and lower passengers without a protective building. Planning for stopping tourist vehicles and general passengers in the Palopo City Tourism concept is one form of urban public service function provided by the government, which aims to:

- Ensure smooth and orderly traffic flow

- Ensure safety for tourists and users of public passenger transport
- Ensure safety assurance for boarding and/or disembarking passengers
- Make it easier for tourists or passengers to be able to access public transportation
- Make it easier for tourists or passengers to change modes of public transportation or buses.

Considerations in planning public passenger vehicle stops to support the City Tourism Concept of Palopo City are:

- Located along planned public transport or bus routes
- Located on pedestrian paths and close to pedestrian facilities.
- Set close to a tourist attraction, activity center or settlement.
- Set close to transportation infrastructure such as Terminals, ports.
- Equipped with signposts
- Does not interfere with the smooth flow of traffic planning for stops along public transport routes

The planning of public transportation stops to support City Tourism of Palopo City is divided into two types, namely large bus stops and small bus stops. Large bus stops are designated for routes within the city for locations with high tourist activity, or places to change modes such as terminals, Pancasila field, culinary centers and souvenirs and others. Small bus stops are placed at tourist attraction locations scattered within the Palopo urban area.

Table 5 Criteria for Location of Public Transportation Stops as a means of integrating modes of supporting City Tourism Palopo

Public Transport Stopping Places	Purpose	Location Criteria
Stops with protection (large bus stops)	Helps smooth and orderly traffic flow	Located along planned public transport or bus routes
Unprotected stopping place (bus stop/small stop)	Ensure safety for tourists and users of public passenger transport	Set close to tourist attractions, activity centers or settlements.
	Make it easier for tourists or passengers to be able to access public transportation.	Set close to transportation infrastructure such as terminals, airports and ports
	Make it easier for tourists or passengers to change modes of public transportation	Does not interfere with the smooth flow of traffic planning for stops along public transportation routes
		Located on pedestrian paths and close to pedestrian facilities or equipped with pedestrian facilities
		Equipped with signposts

b) Traffic signs and markings

Traffic signs and markings as a tool to control traffic, especially to improve safety and smoothness. In the road system, road markings and traffic signs are physical objects that can convey information (orders, warnings, and instructions) to road users and can influence road users. For the planning of facilities for integration of supporting modes of City Tourism in Palopo City, several signposts are planned, such as stop signs placed 200 meters before and after the bus stop, signs indicating the location of tourist objects, and others.

c) Pedestrian Facilities

Pedestrians are an important form of transportation, especially in tourist areas, therefore the needs of pedestrians are an integrated part of the road transportation system. Pedestrians are in a weak position if they mix with vehicles, then they slow down the flow of traffic. Therefore, one of the main objectives of traffic management is to try to separate pedestrians from the flow of motorized vehicles,

without causing major disruptions to accessibility. In addition, pedestrian facilities can also directing tourists or passengers to easily access the nearest bus stops.

4.3 Determining the Location of the Stops and Routes

From the analysis of the need for facilities and infrastructure, it will determine the location of the bus stop and mini bus routes in the city tourism concept of Palopo City. Referring to the Regulation of the Minister of Transportation No. 15 of 2019 concerning the Implementation of Transportation of People with Public Motorized Vehicles on the route, and the Regulation of the Minister of Transportation No. 10 of 2012 concerning Minimum Service Standards for Road-based Mass Transportation, Palopo City can be categorized as an agglomeration area. Agglomeration is defined as a stand-alone urban area or a core urban area with smaller urban areas surrounding it and having functional linkages connected to an integrated regional infrastructure network system and forming a system. This agglomeration area will be connected and accommodated for its movement between regional activity centers in areas with urban characteristics and local activity centers in the vicinity.

For movements with tourism characteristics in Palopo City, they are accommodated by offering a concept titled City Tourism, where public transport routes are planned to accommodate the movement of tourists to tourist attractions and transportation facilities.

There are at least two programs for the development of City Tourism supporting mode integration facilities, namely the construction of public transport stops and pedestrian development. The construction of facilities that become the main priority is at the node points of movement and mode integration such as terminals, Pancasila Square which functions as a city square, as well as a Culinary Center and souvenirs/ Payung Tower. After that, development will be carried out at tourism points in the Palopo urban area.

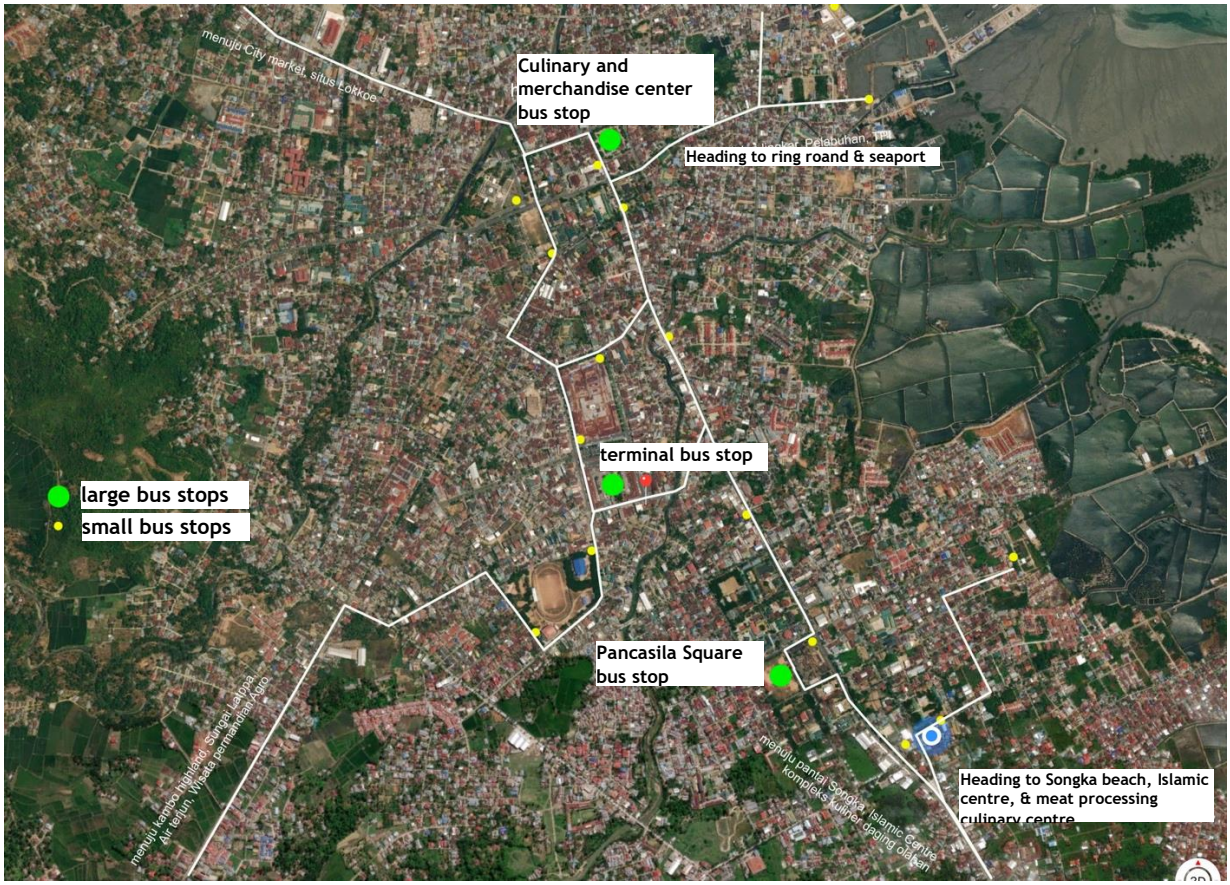


Figure 3. Route Plan and Bus Stop Locations

There are at least 3 routes that can be planned to accommodate tourist movements, the first route is from urban areas to the east where there are attractions of Kambo Highland, Latuppa River, Agro baths, and Latuppa Waterfall. The second route from urban areas to the south is Binturu Beach,

Islamic Center, Songka Processed Meat Culinary, and Sampoddo Hill. Route three from urban areas to the north where there is City Market Shopping Center, Lokkoe historical site, to Maritime Culinary on the Ring Road.

4.4 Potential Benefits

In its operation, City Tourism Palopo City has several potential benefits, both from the social and economic sectors, as well as the financial sector. The socio-economic sector can technically be obtained from the opening of job opportunities, an increase in the number of tourist visits, opportunities to create business opportunities, to an increase in Regional Original Income (PAD) and economic growth. Benefits from the financial sector, potentially obtained from the sale of tourism bus tickets, ticket sales for tourist attractions, rental of retail and stalls at tourist attractions, rental of ATM space and advertising space at bus stops, increased income for restaurants, cafes and restaurants, increased central income spending, increasing the value of long stay and expenditure of tourists.

All these potential benefits can be considered to attract private parties or business entities to be involved in this project. Especially in the financial sector, where with a certain scheme, the government can maximize the role of the private sector in planning, development and operation.

Table 6. Potential Benefits from City Tourism Operations

Sector		Potential Benefits
Social & Economic	General	Job creation
		Increased tourist visits
		Opportunity to create business
		PAD increase and economic growth
Financial	Bus tour operations	Bus ticket sales
		Sales of entrance tickets to tourist attractions

4.5 Financing scheme

Success in implementing PPPs in tourism infrastructure projects requires all stakeholders to be involved and responsible **(Khakimova and Fattakhova, 2016)**. For this reason, it is necessary to identify the tasks and responsibilities of the Palopo City government and the private sector regarding the implementation of this partnership. Adopting the PPP scheme with functions and responsibilities as suggested by **Franco and Estavo (2010)**, along with the division of responsibilities in the City Tourism financing scheme of Palopo City.

Table 7. Roles and responsibilities of partners in the Palopo City Tourism PPP

Palopo City Government	Private Party/Business Entity
Committed in developing and advancing the tourism sector	Concern for environmental and social aspects
Creating a conducive tourism investment climate	Develop skills and competencies required for the development and operation of tourism businesses
Prepare adequate tourism supporting infrastructure and ensure its maintenance	Collective and professional responsibility for practicing industry standards, ethics and tourism business governance
Creating conducive market conditions to promote sustainable tourism	Preserving culture, traditions and the environment, which oriented to tourist and sustainable development
Running an effective and efficient bureaucracy, as well as support and services in the private sector	Involving local communities in tourism development
Employment regulations that are more flexible but still maintain the rights of workers	Provide professional and certified workforce skills training
Stable and consistent regulations and fair tax policies	Cooperate with the government to ensure the safety and comfort of tourists

PPP considerations Palopo City Tourism requires various stakeholders to be involved in the PPP implementation process to maintain a balance between asset value for investors and project

development costs. Maintaining balance requires that all parties be involved in all stages of the project. **Cheuk et al (2010)** evaluated the important role of the private and public sectors in the context of tourism planning and development. Research findings reveal that the private sector is less involved in the decision-making process to determine the direction of tourism development and tourism planning. The public sector, in this case the government, remains dominant in the planning stage and only involves the private sector in the implementation stage. In the context of the Palopo City Tourims PPP, this will cause problems, if the number of tourists projected or targeted in the Palopo City RIPPARDA does not match the planned number.

In the study of **Wong et al (2012)**, found that a certain level of trust to the parties in PPP transactions must be established at an early stage, to ensure mutual benefits and the goals of cooperation can be realized. In this case, the Palopo City Government must take full responsibility for formulating a transparent and practical Palopo City Tourism PPP policy. This is necessary in managing political risk as one of the obstacles in the implementation of PPP. In addition, empowering the community must also be one of the main considerations in the Palopo City Tourism PPP. The ability to finance tourism infrastructure projects will certainly help prosper residents, protect cultural and environmental heritage through cultural tourism and ecotourism, and increase the interest of visiting tourists **(Tshehla, 2018)**.

It is important for the Palopo City Government to establish cooperation with the private sector who will help and share roles through socio-economic programs, while still being able to generate benefits. For example, private companies can assist local residents in the manufacture of arts and cultural products and crafts for tourists, or ecotourism activities by providing training for young entrepreneurs in Palopo City. This is important for the success of the Palopo City Tourism PPP before discussing how the financing and partnership schemes will be implemented in the Palopo City Tourism PPP. There are several schemes that can be applied to City Tourism planning in Palopo City. For more details, it can be seen in table 8. Meanwhile, the things that can affect the Palopo City Tourism PPP can be seen in table 9.

Table 8: Alternatives for Palopo City Tourism PPP Scheme

Financing	**Partnership Scheme Alternative**	**Description**
a) Construction of bus stops, pedestrians, and their accessories. b) Procurement of minibus transportation units	*Service Contracts and Management contracts*	All shelters, pedestrian stations, and other infrastructure are built by the government, but in operation they will be handed over to the private sector
	Design-Build-Finance-Operate/Maintain (DBFO, DBFM or DBFO/M	The private sector that designs, builds, finances, operates and or maintains new facilities such as bus stops, pedestrian stations, and their equipment under long-term leases. And at the end of the period will be returned to the government
	Build-Own-Lease-Transfer (BOLT).	The government provides grants for the right to finance and build shelters, pedestrian stations, and others and then lease them back to the government with certain fees and agreements with the private sector. This facility is still operated by the private sector, but at the end of the period it will be given to the private sector.
	Concessions	In this form, the government makes and provides assistance or subsidies (money) to private companies to build and operate facilities for a certain / fixed period of time. The project owner remains with the government and the right to supply services remains with the government. In this concession, payments can be made in two ways: (a) concession executors who pay to the government because of concession rights (b) the government pays to concession executors. Both payments are based on the agreement of both parties with special conditions. For a government-to-concession mode of payment, the government must make the project commercially viable or reduce the level of commercial risk borne by the private sector, usually in PPP projects that are under development or whose markets are untested. The concession period is 5-50 years
Operation	*Affermage / Lease*	Operators in this case are private parties who are responsible for operating transportation and maintaining infrastructure facilities (already built previously) such as shelters, pedestrians, signs, markers and others. The operator does not incur any investment. But often, this contract model is combined with other models such as: build-rehabilitate-operate-transfer model. In this case, the contract period is relatively longer and the private sector requires a significant investment. In this condition, it is very common to use the form of affermage and a lease. The two forms are only technically different. In the case of a lease, the operator retains the income earned from the consumer or user of the facility and pays a leasing fee in a certain amount to the contracting authority (government). However, for affermage, operators and contract givers share revenue from consumers or users. For land used in this form it is usually transferred after 15-30 years.

Financing	Partnership Scheme Alternative	Description
	Service Contracts and Management contracts	Is a contractual plan to manage or manage part or all of a public project by a private company. This contract allows private sector expertise to enter into service design and delivery, operation control, workforce management, equipment procurement, without incurring commercial risks. The government remains as the owner of the facilities and equipment. The private sector gets a fee to manage and operate on a performance basis.

Table 9: Factors influencing the success of the City Tourism PPP in Palopo City

No	Factor	Description	Source
1	The Comprehensive PPP Capability of the Palopo City Government	The government's ability to recognize the characteristics and implementation of PPP projects will be positively correlated with the success of PPP implementation. This government capability is in the form of: its ability to identify valuable PPP projects, the ability to make detailed plans for PPP projects, the ability to cooperate with the private sector in terms of development, the ability to make PPP contracts that are consistent and profitable for the parties, and financial capability to invest with the parties.	Estache (2014); Akhmetshina et al (2017); Qizilbash (2011); Iossa and Martimort (2009); Liu and hiraku (2009); Teisman and Klijn (2002); Mathur (2014); Nsasira et al, (2013); Carbonara et al (2013); Qu and Loosemore (2013); (Maramis, 2018); Perpres 38 tahun 2015; PPN no 4 tahun 2015
2	Institutionalization in the City Tourism PPP of Palopo City	The availability of a special agency that handles PPP, which works under flexible regulations and professional management will be positively correlated with the successful implementation of PPP.	
3	Attractive Rewards for Private Parties	The availability of attractive or valuable returns for the private sector involved in PPP projects is correlated with the success of PPP implementation. The ease of the procedure for payment of rewards or returns and its consistency in the future will reduce the risk of rewards or returns, this will result in high attractiveness of the private sector to participate in PPP projects.	
4	Legal certainty	The success of PPP implementation is also influenced by legal certainty and guarantees. The legal aspect will reduce the risk in the future if there is a conflict between the parties who signed the PPP contract. The more detailed the PPP contract or legal agreement, the better the PPP contract or legal agreement. This condition will create a sense of trust between the parties so that they will focus on operations or activities for the successful implementation of the PPP project.	
5	Opportunistic Behavior	The success of a PPP project in the long term will be determined by whether or not the PPP contract is capable of minimizing the opportunistic behavior of the parties involved in it	
		Opportunistic behavior can be caused by asymmetric information, imperfect control, lack of commitment, self-interest seeking and asset specifications. Asymmetric information can cause adverse selection or moral hazard in the implementation of PPP contracts.	
		The higher the inability of the parties to control one another, the greater the possibility of opportunistic behavior from the parties in PPP.	
		The significant aspects of penalty and the details of the PPP contract can be an obstacle for the parties to behave opportunistically. Significant penalties mean that there are greater costs to the parties if they discontinue the contract rather than continue it.	

No	Factor	Description	Source
		Forms of opportunistic behavior that can occur in a PPP contract can be in the form of: Underbidding, Free riding, Sitting on the job, Poor quality of performance, Hostile takeover, Power misuse and social surplus capture. (adopted from Qu Y and Loosemore M, 2013).	
		At the pre-tendering stage (opportunistic behavior that can occur are: free riding (from the government) and power mis-use (from the government) At the bidding stage (opportunistic behavior that can occur are: free riding (government), underbidding (private). At the building stage (opportunistic behavior that can occur is sitting on the job (private), poor performance (private), power mis use (government), social surplus capture (government or private). hostile takeover (government) and social surplus capture (government or private) (adopted from Qu Y and Loosemore M, 2013).	
		Most of the risks in PPP are between the bidding and development period, while the smallest is in the pre-tender stage. Self interest seeking is the dominant factor or element influencing opportunistic behavior in PPP, and the lowest is the reason for environmental uncertainty. Superordination aspect is the most dominant aspect used as a form of opportunistic behavior in PPP. (adopted from Qu Y and Loosemore M, 2013).	

5. CONCLUSION

Konsep Palopo City Tourism menawarkan integrasi aktifitas wisata pada wilayah perkotaan Kota Palopo dengan penyediaan moda angkutan pariwisata yang terintegrasi, dilengkapi dengan infrastruktur penunjang seperti halte, bus stop, jalur pejalan kaki, dan kelengkapannya. Namun penerapan konsep tersebut akan terkendala oleh masalah pendanaan mengingat terbatasnya keuangan daerah dan tuntutan untuk memprioritaskan sector-sektor yang lebih strategis selain pariwisata. Penerapan skema KPBU atau PPP pada sector pariwisata, dalam konsep Palopo City Tourism, baik dalam pembangunan, pengoperasian hingga potensi benefitnya menjadi alternatif mengingat keterbatasan pendanaan daerah. Dari hasil analisis pola pergerakan dan lokasi objek wisata, terpilih 3 rute optimal yang dapat mengakomodir pergerakan wisatawan, yaitu rute selatan, rute barat dan rute utara. Dari hasil analisis kebutuhan prasarana, dibutuhkan pembangunan infrastruktur berupa halte dan bus stop, serta jalur pedestrian dan kelengkapannya pada titik-titik objek wisata dan beberapa area komersial. Selain itu diusulkan pula beberapa skema pembiayaan KPBU yang dianggap cocok dengan konsep City tour Kota Palopo ini, antara lain skema *Concessions maupun Affermage/ Lease,* seperti *Service Contracts and Management contracts, Design-Build-Finance-Operate/ Maintain (DBFO, DBFM or DBFO/M), Build-Own-Lease-Transfer (BOLT).*

Usulan konsep dan alternatif skema pembiayaan ini diharapkan dapat membantu pemerintah Kota Palopo untuk meningkatkan kunjungan wisatawan dan pengembangan destinasi wisata sesuai dengan tujuan RIPPARDA Kota Palopo, sekaligus untuk menjawab permasalahan pendanaan proyek City Tourism ini dimasa yang akan datang.

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