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Private Sector Contribution in Achieving the Sustainable Development Goals (SDGs) 7 in Kendari, Indonesia

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ABSTRACT

This study aims to explain and find out how the contribution of PT DSSP Power Kendari in achieving sustainable development goals (SDGs) 7 (clean and affordable energy) through cooperation between PT DSSP Power Kendari and State Electricity Company (PLN). This study uses a qualitative approach and type of descriptive research with data collection techniques through interviews and documentation. This study uses the theory of sustainable development using the concept of Public-Private Partnership (PPP). The results of the study show that the contribution of PT DSSP Power Kendari in achieving SDGs 7 is to collaborate with PLN with a contract period of 25 years, to provide electricity with a capacity of 2 x 50 megawatts and create electricity education programs for the younger generation, this contribution is made to achieve development sustainable electrical energy by discovering the use of household electricity in the city of Kendari.

INTRODUCTION

On the 70th General Assembly of the United Nations (UN) in September 2015 in New York, United States of America. Several 193 heads of state and governments were present to agree 2030 Agenda for Sustainable Development. This document is known as the Sustainable Development Goals, or SDGs, consisting of 17 Goals and 169 targets valid from 2016 to 2030 (United Nations, 2020). So that officially the SDGs replace the Millennium Development Goals (MDGs) for 2000 - 2015.

SDGs are known to have several main principles, including (1) Universal Development Principles, (2) Integration, (3) No one left behind, and (4) Inclusive Principles (United Nations General Assembly, 2015). This principle is seen as a shared vision so that Indonesia involves all stakeholders in achieving the SDGs that are carried out inclusively, including government and parliament, philanthropy (individual support) and business actors, community organizations and the media, and academics and experts.

The Indonesian government is one of the countries that support and agrees on the SDGs development program. Indonesia's commitment to the success of the goals contained in the SDGs program can be seen from the signing of presidential regulation (Perpres) Number 59 of 2017 concerning the implementation of the achievement of sustainable development goals by President Jokowi in July 2017. Attachment to Presidential Regulation number 59 of 2017 concerning the implementation of achieving development goals sustainable development contains an explanation of the 17 SDGs goals that have been aligned with the 2015-2019 national medium-term development plan (RPJMN), of which 94 SDGs targets have been aligned into the 2015-2019 RPJMN. As well as in article 1 of this presidential regulation regulates the parties involved in achieving sustainable development goals, apart from the central government, including the private sector, community organizations, business actors, academics, and philanthropy (individual support).

In the SDGs 7, namely clean and affordable energy, the target is to increase energy efficiency with targets for 2015-2030, with several targets, namely: 1) Proportion of population with access to modern cooking solutions, by urban/rural area; 2) Proportion of population with access to reliable electricity, by urban/rural area; 3) Implicit incentives for low carbon energy in the electricity sector (calculated in US\$/MWh or US\$ per tonne of CO₂ which should be avoided), and; 4) Prime energy intensity improvement rate (Badan Pusat Statistik (BPS), 2017).

The achievement of Indonesia's energy security is difficult due to an imbalance in the rate of energy availability with energy consumption/use in the community. In this case, State Electricity Company (PLN), as the only distributor of electrical energy in Indonesia, cannot provide affordable energy for the community, so the private sector is needed. /private in national energy providers/suppliers. With it, law number 30 of 2009 was issued regarding electricity. The government hopes that the private sector can contribute to Indonesia's energy fulfillment. In Southeast Sulawesi, based on regional profiles and analysis in 2017, energy security in terms of availability, accessibility, affordability, sustainability, and stability is relatively low, where the data shows seven districts/cities with relatively low energy security (Kedepuitan Bidang Pengembangan Regional, 2017). From the data, it can be assumed that Southeast Sulawesi still needs much energy, especially electricity, for sustainable economic development.

Public-Private Partnership is a term coined by the United Nations related to sustainable development in 2002 (United Nations, 2002). This partnership can emphasize cooperation between the public and private sectors in the sharing of resources, risks, responsibilities, and rewards with others to achieve a common goal (Kwak, Chih, & Ibbs, 2009; Spraul & Thaler, 2020) (Kwak et al., 2009). Public-private partnerships also range from informal arrangements to formal contractual arrangements (Steijn, Klijn, & Edelenbos, 2011). PPP is also related to sustainable synergy (long-term cooperation contracts) in project development to improve public services (public services), between 1) Government or local government as regulator; 2) Banks/ consortiums as funders; 3)

Private parties/BUMN/BUMD as Special Purpose Company (SPC) who are responsible for the implementation of a project (Utama, 2010). Lack of funding and inefficiency of public services are seen as drivers of these partnerships (Alputra, 2014; Forrer, et.al, 2010).

The participation of the private sector in meeting the national electricity needs can be conducted by investing in the energy sector. The contribution of the IPP (Independent Power Producer) in building the power plant, then the electrical energy produced will be sold to PLN as the sole electricity consumer in Indonesia and then distributed to the population and industry. IPP (Independent Power Producer) is a private power producer company formed by a consortium to enter into a PPA agreement with PLN. Power Purchase Agreement (PPA) is an agreement between a private electricity producer (IPP) and PLN. (Presiden Republik Indonesia, 2009)

PT DSSP Power Kendari, established in 2015, is a subsidiary of PT Dian Swastatika Sentosa Tbk, established in 1996. On May 4, 2015. PT DSSP Power Kendari signed a PPA (Power Purchase Agreement) with PLN (state electricity company) to procure the IPP project power plant (PLTU) Kendari-3 and supply electricity to PLN for 25 years according to the PPA that has been carried out.

Several studies discussed the private sector in achieving the SDGs, such as the role of the private sector in overcoming the challenges faced in achieving the SDGs (Rashed & Shah, 2021; Scheyvens, Banks, & Hughes, 2016), challenges of business actors in achieving SDGs (Bremermann, Teplov, Mortazavi, Vääänen, & Gupta, 2019) and the role of CSR in achieving SDGs (Sudirman, et.al, 2021). However, few studies still discuss the private sector's contribution in fulfilling household electrical energy to achieve SDGs goal 7. So it is necessary to research this matter to see the potential involvement of the private sector in achieving the SDGs, especially in achieving the SDGs goal 7.

METHODS

This research uses a descriptive qualitative approach. The research location is at PT Dian Swastatika Sentosa (DSSP) Power Kendari in North Moramo District, South Konawe Regency, Southeast Sulawesi Province. Data collection

techniques through interviews and documentation with research informants consisted of the Human Resource Department of PT Dian Swastatika Sentosa (DSSP) Power Kendari, the community around PLTU Kendari-3, and five people as electricity customers of PLN Kendari. Furthermore, the data analysis technique used the interactive model of Miles, Huberman, and Saldana (2014).

RESULTS AND DISCUSSION

Electricity problems in the city of Kendari occur in some areas because of the increase in immigrant communities or new businesses requiring electrical energy so that electricity demand increases, which has consequences for increasing electricity supply. PLN responsible to provide electricity to the community has limitations in providing electrical energy so that the private sector's contribution is needed to provide the electricity.

Tabel 1. Number of Electricity Customers by PLN Branch in Kendari Municipality, 2015-2019

Regional Branch	2015	2016	2017	2018	2019
Wua-wua	64511	77249	88301	101330	113337
Benu-Benua	33177	35407	38965	43795	51831
Kendari	246050	272332	304482	349406	390982

Source: National Electricity Company of Branch in Sulawesi Tenggara (2020)

Based on the electricity demand above, illustrates that PLN customers in the city of Kendari always increase every year. in 2018, the number of electricity customers in the city of Kendari reached 349 406 then increased in 2019 so that it became 390 982 customers, this illustrates the need for electrical energy is increasing. Increasing so that with this, electricity providers, both BUMN and BUMS, are needed to fulfill electrical energy. Seeing the above, PT DSSP Power Kendari wants to contribute to sustainable development at point 7 of clean and affordable energy through the provision of affordable electrical energy for the people of the city of Kendari.

On achieving sustainable development or SDGs, currently, PT Dian Swastatika Sentosa (DSSP) power uses the ASEAN Corporate Governance Scorecard, Version 2.0, as a reference for operating the company by paying attention to environmental and sustainability aspects.

Table 2. ASEAN Corporate Governance Scorecard, Version 2.0 PT DSSP 2018

ASEAN Corporate Governance Scorecard, Version 2.0 PT DSSP 2018	the role of stakeholders
	Describe the company's efforts to ensure that the company's value chain is environmentally friendly or consistent with sustainable development
	Electricity Contribution Capacity 2 x 50 MW

Source : (ASEAN Capital Markets Forum, 2017)

PT DSSP Power Kendari Contribution in SDGs 7

a. Partnership with State Electricity Company (PLN)

PT DSSP Power Kendari cooperates with the form/scheme of BOT (Build, Own, Transfer), in which PT DSSP Power Kendari builds and is the owner of the facility and operates it then the results/products in the form of electricity can be sold to the government in this case state electricity company and after the contract, period expires the company will become an asset/owned by the government as stated by HRD PT DSSP Power “PT DSSP Power Kendari sells electricity to PLN where in this case we build and operate and then transfer/sell to PLN with a contract system starting on October 28, 2019, after the 25 year contract period has expired, this company will become an asset/property PLN. Currently, we are contributing with an electrical capacity of 2 x 50 Megawatts”.

PT DSSP Power Kendari entered into a Power Purchase Agreement (PPA), which is a power purchase agreement between a private electricity producer (IPP) in this case, PT DSSP Power Kendari and the State Electricity Company (PLN), with a contract period of 25 years and after 25 years. The contract expires PLTU Kendari-3 will become an asset of PLN, then PLN is responsible for distributing the electricity to the people of Southeast Sulawesi, especially to Kendari and its surroundings.

Under the concept of Public-Private Partnership (PPP) cooperation which is used as an instrument in this research, is the cooperation implemented by the state electricity company (PLN) with a private partnership, namely PT DSSP Power Kendari. To develop sustainable electrical energy to

meet the needs of household electricity use in the people of Southeast Sulawesi, especially the city of Kendari, through collaboration with the state electricity company (PLN) with the Build, Own, Transfer (BOT) scheme.

PT DSSP Power Kendari is very significant in achieving sustainable development of electrical energy in Indonesia because the community's need for electrical energy continues to grow. PLN, the only electricity provider from the government, cannot fulfill the community's needs for electricity due to funding limitations. The government opens cooperation with public-private partnerships in helping the government meet the community's electrical energy needs.

PT DSSP Power Kendari supplies electrical energy with a capacity of 2x50 MW by conducting a PPA (Power Purchase Agreement) with PLN. DSSP has laid the groundwork for the PLTU construction, and the basic design of the PLTU has been completed. DSSP appointed Jiangxi Jianglian International Engineering Co., Ltd. (China) as a PLTU machinery and equipment supplier. This PLTU project is the second IPP project owned by PT Dian Swastatika Sentosa Tbk, which will supply electricity to PLN for 25 years based on the Power Purchase Agreement signed in May 2015. The total investment value of this PLTU project reaches approximately US\$ 200 million. This PLTU project has received a financing facility from the China Development Bank Corporation of US\$ 150 million. The Kendari-3 PLTU IPP project is part of the 35,000 MW mega project launched by the Indonesian government to increase household electricity use throughout Indonesia.

b. Creating Education and Training Programs in Electrical Energy.

PT DSSP Power Kendari created two educational programs called the Engineering Development Program (EDP) and Education for Power Generation (PTPL), carried out by a subsidiary of PT DSSP Power Kendari. DSSA has placed 172 participants in the EDP and PTPL programs as assistant engineers, operators, and electricity technicians. Supported by around 2,000 employees in various locations in Indonesia, DSSA currently has three IPP PLTUs, namely in Bayung Lencir, Musi Banyuasin Regency, South Sumatera, in South Konawe, Southeast Sulawesi; and in Tumbang Kajuei, Gunung Mas, Central

Kalimantan. PT DSSP Power Kendari through the EDP (Engineering Development Program) and PTPL (Electrical Power Generation Education) programs foster S1/D3 and SMK/SMA graduates to become electrical engineers, operators, and technicians. Through educational programs ranging from 1-2 years, the company had successfully graduated 89 graduates on October 17, 2018. as a state by HRD this company "PT DSSP Power Kendari has created two educational programs where there is also training for participants who pass the selection in this program, namely the EDP (Engineering Development Program) and PTPL (Electricity Power Generation Education) programs to create professional and competent human resources in the field of education. electricity so that we can provide electricity for our own country without being processed by foreign workers."

Participants from both programs have gone through a rigorous recruitment and selection process, giving priority to the children of Sulawesi. The EDP program was developed by the company's internal team and focused on the PLTU process and system, where at the end of the training, participants do internships to deepen their knowledge and skills. Meanwhile, the PTPL Program was developed in collaboration with the PLN Technical College in Jakarta. The PTPL program is designed by combining in-class training and field training to hone work attitudes as prospective operators or technicians. At the end of the training, each EDP and PTPL participant is tested to obtain the PT Electrical Power Plant Competency Certification. An overview of the contribution of PT DSSP Power Kendari can be seen in the table below as follows:

Table 4.2 Matrix of PT DSSP Power Kendari Contribution

No	Contribution	Year	Description
1.	Cooperating with the State Electricity Company (PLN)	2015	PLN (state electricity company) distributes electricity to the public, and PT DSSP Power Kendari is only a provider/supplier of electricity to PLN.
2.	Supplying 2x50 MW of Electrical Energy	2019	PT DSSP Power Kendari supplies electricity with a capacity of 2x50

			MW for 25 years in accordance with the agreement.
3.	Creating Education and Training Programs in Electrical Energy	2019	PT DSSP Power Kendari created two education and training programs, namely the EDP (Engineering Development Program) and PTPL (Electricity Generation Education) programs to create professional and competent human resources in the electricity sector.

In the national context, the implementation of Indonesia's energy diplomacy is currently focused on cooperation in securing adequate energy supply, developing renewable energy, increasing access to modern energy, and energy efficiency. The government has determined energy security as one of the national development priorities, as stated in the 2020-2024 national medium-term development plan (RPJMN). In achieving energy security, especially electrical energy, Indonesia, through the state electricity company (PLN) as a state-owned enterprise (BUMN) as the leading actor, is trying to increase the electricity capacity of 35.00 MW. However, the electricity demand is continuously growing higher than other types of energy. The electricity demand pattern for the three scenarios during the projection period is relatively the same, with the most significant portion in the household sector. The industrial sector, commercial sector, transportation sector, and other sectors, to continue to fulfill electrical energy in Indonesia, PLN is responsible for opening access for the private sector. in helping to provide electrical energy for Indonesia.

The company PT DSSP Power Kendari supports the government's efforts to achieve sustainable development programs (SDGs) 7 namely clean and affordable energy with indicators of household electricity use. This is then aligned and relevant with previous studies that partnerships

in achieving the SDGs through a public-private partnership scheme can encourage the achievement of the SDGs (Spraul & Thaler, 2020; Wang & Ma, 2021) and can encourage the private sector to be involved in achieving the SDGs (Bremermann et al., 2019).

CONCLUSION

PT DSSP Power Kendari contribution in achieving SDGs was collaborating with the state electricity company (PLN), then supplying electrical energy with a capacity of 2x50 MW for the community's needs and creating educational programs for the younger generation in the electricity sector. These activities align with efforts to achieve SDGs 7, namely, ensure access to affordable, reliable, sustainable, and modern energy for all, especially the use of household electricity. The involvement of the public and private sector in the public-private partnership scheme echoed for a long time by the United Nations needs to be encouraged where the government can make regulations that facilitate the private sector to be involved in achieving the SDGs. This research has shortcomings related to a deeper discussion of economic, social, and environmental aspects of sustainable company activities. So it is necessary to research this matter to find out the company's commitment to sustainable development.

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