

The Contribution of Palm Industries in Fund Sharing to Maintain Nasional-Pintas Street, Tebo District, Jambi

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ABSTRACT

The funding system applied by the government recently limits the fund allocation for good maintenance. This lack of fund for road maintenance is accumulated in road destruction such as in Tebo District, one of the districts in Jambi Province, which improvement is slow due to the lack of maintenance fund. There are three palm industry companies utilize the road for their mobilizations. This research aims to formulate the amount of contribution given by the palm industry companies in share-funding for Nasional-Pintas street maintenance as alternative funding by reducing the proportion of funding by Tebo Government and utilizing the fund from the palm industry companies such as CSR, retribution, or other fund. Nevertheless, the government still has responsibility to fund the infrastructure as it did before. From the analysis, the amount of sharing fund is Rp 2.500/ESAL/km/lane. From this amount, the cost both government and palm industry companies to contribute in maintaining the road is counted. The total cost for road maintenance is Rp 3,358 billion/year. From this analysis result, it is found that the amount of sharing fund does not burden the companies. Moreover, the amount of sharing fund burdened to government cannot be paid. Therefore, the Government of Tebo District has to find other sources of fund which one of them may come from provincial budget, national budget, or formulating new format of compensation with the companies since the amount of sharing fund burdened to the companies is still below the companies ability to pay.

Keywords: maintenance funding, contribution, sharing, ESAL, IRI