

F. No. 1/28/2023-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
Infrastructure Support & Development Division
Private Investment Unit (PIU)

5th Floor, Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi
Dated 28th December 2023

Office Memorandum

Record of Discussion of the 16th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Ministry of Home Affairs (UT Division), for setting up a Project Monitoring Unit (PMU) for Holistic Development of Union Territory of Andaman & Nicobar Islands through PPPs.

The undersigned is directed to forward Record of Discussion of the 16th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Ministry of Home Affairs (UT Division), for setting up a Project Monitoring Unit (PMU) for Holistic Development of Union Territory of Andaman & Nicobar Islands through PPPs, held on 22nd December 2023 for information and necessary action.

2. This issues with the approval of Competent Authority.


(Dr. Kartik Agrawal)
Deputy Director

To,

- i. Shri. Partha Sarathi Reddy, Adviser, NITI Aayog
- ii. Shri. Ashutosh Agnihotri, Joint Secretary, Ministry of Home Affairs
- iii. Kanishk Chaudhry, Deputy Commandant, Ministry of Home Affairs (UT Division)
- iv. Sr. PPS to JS (ISD)

Copy for information:

1. The Secretary, Ministry of Home Affairs, Government of India
2. The Chief Secretary, Andaman & Nicobar Islands

Record of Discussion of the 16th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Ministry of Home Affairs (UT Division), for setting up a Project Monitoring Unit (PMU) for Holistic Development of Union Territory of Andaman & Nicobar Islands through PPPs.

1. The 16th Meeting of the Approval Committee (AC) chaired by the Joint Secretary, ISD Division, Infrastructure Finance Secretariat, Department of Economic Affairs (DEA) was held on 22nd December 2023 at 1115 hours to consider granting approval for support under the IIPDF Scheme to the proposal of Ministry of Home Affairs (UT Division), for setting up a Project Monitoring Unit (PMU) for Holistic Development of Union Territory of Andaman & Nicobar Islands through PPPs. List of participants (attendees) is placed at **Annexure – I**.

2. Project Overview:

A brief overview of the project is provided below:

Project Name	Holistic Development of Great Nicobar Island
Purpose of Assistance	Setting up PMU through TA support.
Sector	Social & Commercial Infrastructure
Project Sponsoring Authority	Ministry of Home Affairs (UT Division)
Location of PMU	Ministry of Home Affairs
PPP Mode Envisaged	DBFOT, Annuity (and its variants), OMDA (and its variants), Lease Management, InvIT, etc. depending on infra asset amenability.
Estimated PMU costs	Rs. 5 Cr inclusive of all taxes
Payment Milestones Proposed	The payment to TA will be on quarterly basis, in accordance with the deployment of experts and work undertaken during each quarter.
IIPDF contribution sought (%)	100%
Current Status	TA is yet to be onboarded

3. On behalf of the Chair, Deputy Director (DEA) welcomed the attendees to the 16th Meeting of the Approval Committee and informed that the project proposal has been received from Ministry of Home Affairs (UT Division), seeking funding to the tune of Rs. 5 Cr inclusive of GST for Setting up a Project Monitoring Unit (PMU) for Holistic Development of Union Territory of Andaman & Nicobar Islands through PPPs. DD (DEA) further informed that the proposal has been duly circulated to all members of the Appraisal Committee (AC) and with the permission of the Chair, Ministry of Home Affairs (UT Division) was invited to make a presentation on the proposal.
4. Ministry of Home Affairs, UT Division (MHA) stated that Great Nicobar Island, positioned as the southernmost point of the country and strategically located just 40 km from the major international sea route via the Malacca Strait, has

garnered significant attention for holistic development. In its 6th meeting on January 13, 2020, the Island Development Agency (IDA), chaired by the Union Home Minister, underscored the island's strategic importance. Subsequently, NITI Aayog crafted a Vision Document in July 2020, outlining comprehensive development plans, including the establishment of an International Container Transshipment Terminal (ICTT), Greenfield International Airport, Power Plant, and Township. To spearhead implementation, a High-Powered Committee (HPC) was formed in December 2021, chaired by the Union Home Secretary. This concerted effort reflects a dedicated initiative to transform Great Nicobar Island into a strategically vital and economically vibrant region.

5. MHA further informed that the Holistic Development of Great Nicobar Island project aims to establish a robust and strategic Indian Ocean presence. Its primary objective is to capitalize on the island's strategic location, transforming it into a key Economic Hub in the Indian Ocean region. This vision includes enhancing connectivity with the Indian mainland as well as global cities lying along the major sea routes. Anchored by four key projects—International Container Transshipment Terminal (ICTT), Greenfield International Airport, Power Plant and Township—the initiative also incorporates a vital component focused on environment conservation and tribal welfare. While the projects will be structured and bid out by the respective Central Line Ministries, the MHA will act as the anchor Ministry and coordinate and obtain all necessary administrative approvals. Further, the MHA will also be required to undertake substantive review of the project proposals and also suggest modifications/tweaking of the projects. Currently, the MHA does not have the requisite in-house expertise and capacity for the same. Therefore, it is envisaged that a Project Management Unit (PMU) for undertaking thorough appraisal of the project proposals, overseen by the Island Development Agency (IDA), MHA, may be set-up with funding under the IIPDF Scheme of DEA. For the purpose of selection of the TA for the PMU, the DEA empanelled list of TAs shall be utilised.
6. MHA also informed that the PMU would be tasked with analysing and synthesizing reports, such as DPRs, feasibility studies and Gap/Need analyses, while also monitoring project progress and recommending key actions for timely execution. The PMU would also be responsible for the preparation and drafting of various documents, including Concept Papers, Bid documents, and evaluation reports for the projects, coordinating with stakeholders, identifying and addressing project risks efficiently, ensuring compliance with government and court guidelines and facilitating necessary approvals from authorities, and all other tasks as may be required to be performed in promoting the holistic development of Andaman and Nicobar Islands including use of PPP mode.

7. MHA indicated that ICTT, the core project, is envisaged on PPP mode. Regarding the airport, port-led-township and power plant, the modes are still under consideration and the PMU would support in reaching a logical conclusion for the same and also analysing whether such projects are amenable to the PPP modes. It was further informed that eco-tourism resorts planned in the township are also envisaged on PPP mode. Further, there would be many other projects which would be taken up on PPP mode and the PMU would be instrumental in identifying such projects and taking them forward. The PMU would also support in exploring new and innovative modes of structuring PPPs given the unique geographical and strategic location of the islands. It was also informed that the MHA would not fund TA costs over and above that approved by the DEA under the IIPDF Scheme.
8. In light of the above, AC unanimously decided to approve funding under the IIPDF Scheme to the proposal of Ministry of Home Affairs (UT Division), for setting up a Project Monitoring Unit (PMU) for Holistic Development of Union Territory of Andaman & Nicobar Islands through PPPs, subject to the following:
 - i. Funding for TA expenses (PMU) under the IIPDF Scheme is approved up to Rs. 5 Cr. inclusive of taxes, for a period of 2 years.
 - ii. Actual disbursement under the IIPDF Scheme shall be upto a maximum of Rs. 5 Cr inclusive of taxes or actual cost quoted by the TA, whichever is less, subject to accomplishment of milestones and fulfilment of other conditions under the IIPDF Scheme.
 - iii. During the period of engagement of the PMU, the MHA shall submit to DEA a six monthly progress report highlighting major activities undertaken by the PMU during the six monthly period. Further, a meeting of the AC may be convened at the end of each year to assess the work done by the PMU. Regular monitoring of the PMU to be undertaken by the IDA, UT Division, MHA.
 - iv. Disbursements under the IIPDF Scheme shall occur upon the request made by the MHA on a quarterly basis and upon submission of necessary documents. No advance disbursement shall be made. The MHA shall provide tentative release schedule for the same after on-boarding of the TA.
 - v. Ministry of Home Affairs shall endeavour to identify areas where PPPs could be further promoted in the UTs.
 - vi. The TOR for PMU to be finalised upfront so that there is no overlap in the work of the line ministries and the PMU.
 - vii. All conditions of the IIPDF Scheme shall be complied by MHA and the Government of Andaman & Nicobar Islands.
9. The meeting ended with vote of thanks to the Chair.

Annexure – I

List of attendees of the 16th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Ministry of Home Affairs (UT Division), for setting up a Project Monitoring Unit (PMU) for Holistic Development of Union Territory of Andaman & Nicobar Islands through PPPs, held on 22nd December, 2023.

1. Department of Economic Affairs, Ministry of Finance

1. Shri Baldeo Purushartha, JS(ISD) – in Chair
2. Sh. R. Shivakumar, Deputy Secretary
3. Dr. Kartik Agrawal, DD
4. Shri Dhruv Rohatgi, OSD

2. NITI Aayog

1. Shri Partha Sarathi Reddy, Adviser (PPP)

3. Ministry of Home Affairs (UT Division)

1. Shri. Kanishk Chaudhry, Deputy Commandant