National Monetisation Pipeline

Why in News?

Recently, according to a statement by NITI Aayog, assets worth Rs 3.85 lakh crore have been monetised by the government under the National Monetisation Pipeline during the **first three years** of the financial period spanning from **2021-22 to 2024-25.**

- The NITI Aayog is entrusted with the mandate to develop the National Monetisation Pipeline.

What is the National Monetisation Pipeline (NMP)?

- **About:**
  - The NMP envisages an **aggregate monetisation potential of Rs 6 lakh crore** through the **leasing of core assets** of the Central government in sectors such as roads, railways, power, oil and gas pipelines, telecom, civil aviation etc, over a four-year period (FY 2021-22 to 2024-25).
  - The Monetization through NMP only includes core assets, **excluding monetization through** disinvestment of non-core assets.
    - Currently, only assets of central government line ministries and CPSEs in infrastructure sectors have been included.
  - To streamline the process, the monetization of **non-core assets,** including land, real estate, and infrastructure, is being transferred from the Department of Investment and Public Asset Management (DIPAM) to the Department of Public Enterprises (DPE) **within the Ministry of Finance.**
  - This pipeline is intended to support investments under the National Infrastructure Pipeline (NIP) worth Rs 111 lakh crore in six years through FY25.
  - The timeline for the NMP has been strategically set to be **co-terminus** with the remaining period under the **National Infrastructure Pipeline (NIP).**
- **Status of NMP:**
  - The total target for the first two years i.e. 2021-22 and 2022-23 under NMP was around Rs. 2.5 lakh crore, against which around Rs. 2.30 lakh crore was achieved.
  - During the financial year 2023-24, against the target of Rs. 1.8 lakh crore, which is the **highest among all the four years**, the achievement has been around Rs. 1.56 lakh crore.
    - Further, this achievement in 2023-24 is around 159% of the achievement in 2021-22.
  - All the ministries achieved 70% of their monetisation targets with the Ministry of Road Transport and Highways and the Ministry of Coal being the top two achievers with a total achievement of Rs. 97,000 crore in 2023-24.
- **Need for NMP:**
  - **Overcapitalisation:** The optimum input-output ratio is seldom observed in a majority of government infrastructure projects leading to their **overcapitalisation.**
  - **Resource Optimization:** The NMP aims to improve resource use by bringing **market-driven methods** to better match resources with project needs, reducing delays and cost increases.

- **Coordination Challenges:** The NMP promotes **teamwork across government departments** and with private firms to improve how infrastructure projects are carried out.
- **Boost Economy**: NMP connects with [PM Gati Shakti,](#) which aims to develop India's infrastructure comprehensively, while NMP seeks to raise funds for new projects by leveraging existing assets.
- **Utilising Underutilised Public Assets**: The NMP aims to **sell unproductive government assets** to raise money for new infrastructure and expand green projects.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims:

Q. **In India, the term "Public Key Infrastructure" is used in the context of (2020)**

(a) Digital security infrastructure

(b) Food security infrastructure

(c) Health care and education infrastructure

(d) Telecommunication and transportation Infrastructure

Ans: (a)

Mains:

Q.1 Account for the failure of manufacturing sector in achieving the goal of labour-intensive exports. Suggest measures for more labour-intensive rather than capital-intensive exports. **(2017)**

Q.2 The nature of economic growth in India in recent times is often described as a jobless growth. Do you agree with this view? Give arguments in favour of your answer. **(2015)**