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Hon'ble Finance Minister launched the National Monetisation Pipeline

Hon'ble Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman, launched the asset monetisation pipeline of Central ministries and public sector entities: 'National Monetisation Pipeline (NMP Volumes 1 & 2)'. The pipeline has been developed by NITI Aayog, in consultation with infrastructure line ministries, based on the mandate for 'Asset Monetisation' under Union Budget 2021-22. NMP estimates aggregate monetisation potential of Rs 6.0 lakh crores through core assets of the Central Government, over a four-year period, from FY 2022 to FY 2025.

Hon'ble Union Minister of Finance, while launching the pipeline, said that the Asset Monetisation programme has taken shape because of the vision of our Hon'ble Prime Minister who has always believed in universal access to high-quality and affordable infrastructure to the common citizen of India. Asset monetisation, based on the philosophy of Creation through Monetisation, is aimed at tapping private sector investment for new infrastructure creation. This is necessary for creating employment opportunities, thereby enabling high economic growth and seamlessly integrating the rural and semi-urban areas for overall public welfare. Smt. Sitharaman further enumerated the reforms and initiatives undertaken by the current Government towards accelerated infrastructure development and for incentivizing private sector investments. This included the recent 'Scheme of Financial Assistance to States for Capital Expenditure', which incentivizes State Governments to recycle State Government-owned asset for fast-tracking greenfield infrastructure.

Vice Chairman, NITI Aayog, said that the strategic objective of the programme is to unlock the value of investments in brownfield public sector assets by tapping institutional and long-term patient capital, which can thereafter be leveraged for further public investments. He emphasized on the modality of such unlocking, which is envisaged to be by way of structured contractual partnership as against privatization or slump sale of assets.

NMP is envisaged to serve as a medium-term roadmap for identifying potential monetisation- ready projects, across various infrastructure sectors. CEO, NITI Aayog said that the NMP is aimed at creating a systematic and transparent mechanism for public authorities to monitor the performance of the initiative and for investors to plan their future activities. Asset Monetisation needs to be viewed not just as a funding mechanism, but as an overall paradigm shift in infrastructure operations, augmentation and

maintenance considering private sector's resource efficiencies and its ability to dynamically adapt to the evolving global and economic reality. New models like Infrastructure Investment Trusts & Real Estate Investment Trusts will enable not just financial and strategic investors but also common people to participate in this asset class thereby opening new avenues for investment. He consider the NMP document to be a critical step towards making India's Infrastructure truly world class.

NMP is a culmination of insights, feedback and experiences consolidated through multi-stakeholder consultations undertaken by NITI Aayog, Ministry of Finance and line ministries. Several rounds of discussion have been held by NITI Aayog with the stakeholders. The pipeline has been deliberated at length in inter-ministerial meeting chaired by Cabinet Secretary. This is therefore a whole of a government initiative.

Secretaries of all infrastructure ministries affirmed their resolve towards achieving their respective targets set under NMP, working jointly with NITI Aayog and Ministry of Finance.

As part of a multi-layer institutional mechanism for overall implementation and monitoring of the Asset Monetization programme, an empowered Core Group of Secretaries on Asset Monetization (CGAM) under the chairmanship of Cabinet Secretary has been constituted. The Government is committed to making the Asset Monetisation programme, a value-accretive proposition both for the public sector and private investors/developers, through improved infrastructure quality and operations and maintenance. This is aimed at achieving the broader and longer-term vision of 'inclusiveness and empowerment of common citizens through best in class infrastructure'.

The detailed report on the same can be access at:

<http://www.niti.gov.in/national-monetisation-pipeline>

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Warm Regards,

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