3. National Monetization Pipeline 2.0- Economy

FM Sitharaman launches NMP 2.0, Rs 16.72 lakh crore of asset monetisation seen by 2030. NMP 2.0 is a strategic shift toward infrastructure-led growth that avoids the debt trap. By monetising ₹16.72 lakh crore of brownfield assets, India aims to create a self-sustaining cycle of investment. Success, however, will depend on transparent bidding, accurate asset valuation, and maintaining a balance between private profit and public interest.

1. Core Concept and Genesis

NMP 2.0 Overview- This is the second iteration of the pipeline, building on the lessons of NMP 1.0 (2021-2025). It provides a detailed roadmap for the period 2025–26 to 2029–30.

The "Asset Recycling" Principle- The fundamental philosophy is to unlock the value of "Brownfield" assets (existing, operational infrastructure) and reinvest the proceeds into "Greenfield" assets (new projects).

Institutional Framework- * Developed by NITI Aayog in collaboration with line ministries.

1. Monitored by the Core Group of Secretaries on Asset Monetisation (CGAM), chaired by the Cabinet Secretary.

2. Key Objectives of NMP 2.0

Capital Mobilization- To recycle existing assets and mobilize ₹5.8 lakh crore in direct private funds for capital expenditure (Capex).

Private Visibility- Enhancing private sector participation through diverse models like Infrastructure Investment Trusts (InvITs), Public-Private Partnerships (PPP), and Toll-Operate-Transfer (TOT) models.

Standardization- Creating a uniform, time-bound execution process to avoid the delays witnessed in previous infrastructure cycles.

3. Sectoral Allocation & Revenue Flow

The pipeline identifies specific sectors where government-owned assets have high commercial potential.

Sector	Target Allocation (₹ Lakh Crore)	Key Assets Included
Highways & Logistics	4.42	National Highways, MMLPs (Multi-Modal Logistics Parks), Ropeways.
Power	2.77	Transmission lines, Hydro/Solar/Wind power generation assets.
Ports	2.64	Port berths and terminals under various Port Authorities.
Railways	2.62	Railway stations, passenger trains, and dedicated freight corridors.
Coal	2.16	Coal mines and related mining infrastructure.
Mines	1.00	Mineral blocks and extraction facilities.

Revenue Distribution- The proceeds are routed into the Consolidated Fund of India, State Consolidated Funds, or directly back into PSUs for further development.

4. Benefits of the NMP 2.0 Framework

Fiscal Health- It reduces the need for the government to raise fresh taxes or increase public debt to fund infrastructure.

Operational Efficiency- Private players often bring professional management and advanced technology, improving the service quality of existing assets.

Attracting Global Capital- Offers a stable, long-term entry point for Sovereign Wealth Funds and Pension Funds looking for inflation-hedged returns.

Financial Deepening- Public InvITs allow common citizens (retail investors) to earn dividends from national infrastructure growth.

Logistics Competitiveness- By modernizing ports and highways, it reduces the overall cost of logistics in India, making exports more competitive.

5. Challenges and Roadblocks

Despite its potential, NMP 2.0 faces significant structural and perceptual hurdles-

Challenge	**Impact/Concern**
Valuation Risk	The risk of undervaluing public assets, leading to a loss for the exchequer. There is a lack of standardized, transparent valuation tools.
Political Opposition	Often perceived as "privatisation by stealth," leading to resistance from trade unions and civil society.
Risk Allocation	If the government shifts too much risk to the private player (or vice versa), the project may fail, as seen with past highway traffic overestimations.
Regulatory Gaps	Need for a strong, independent dispute resolution mechanism to handle long-term (20-30 year) contracts.

Source- https-//indianexpress.com/article/business/fm-sitharaman-launches-nmp-2-0-monetisation-2030-10548110/