

National Infrastructure Pipeline

The National Infrastructure Pipeline (NIP) is a group of social and economic infrastructure projects slated to be established over a period of five years with an initial sanctioned amount of ₹102 lakh crore.

The NIP was first announced in 2019 during the Independence Day speech by Prime Minister Narendra Modi.

This article will give details about the National Infrastructure Pipeline within the context of the IAS Exam.

What is the National Infrastructure Pipeline?

The NIP is an initiative that will provide world-class infrastructures across the country in order to improve the overall quality of life of for all citizens. The initiative will improve project preparations and attract both domestic and foreign direct investments for the Indian economy.

The NIP will fulfil all the crucial factors that will help India in achieving its target in becoming a \$5 trillion economy by the financial year 2025. It will cover both economic and social infrastructure projects as well

Why is the National Infrastructure Pipeline required?

The key to any successful economy is a robust infrastructure with an equally strong supply chain. This holds true for India as well with its ambition to become a \$ 5 trillion economy by 2025. Thus a key up-gradation of the existing infrastructure will be the key in raising India's competitiveness to meet its target. Government initiatives such as the Make in India programme are dependent on such reforms.

In addition, the creation of new infrastructure will boost employment and generate income thus improving the overall competitiveness of the economy. This is where the National Infrastructure Pipeline comes in.

Report of the NIP Task-Force

The task force headed by Atanu Chakraborty, the economic affairs secretary in the finance ministry, on National Infrastructure Pipeline, submitted its final report to the Finance Minister on May 20202.

The following observations and recommendations were made

1. Investment needed: ₹111 lakh crore over the next five years (2020-2025) to build infrastructure projects and drive economic growth.
2. Energy, roads, railways and urban projects are estimated to account for the bulk of projects (around 70%).
3. The monetisation of infrastructure assets. Setting up of development finance institutions.
4. Strengthening the municipal bond market.

The task force has recommended setting up of the following three committees in order to monitor its progress and eliminate any delays.

The Union Minister for Finance and Corporate Affairs launched the India Investment Grid website to provide information on large-scale government infrastructure projects which will aid potential investors and companies in making an informed decision regarding investments. The website is designed to give real-time data regarding the implementation of the National Infrastructure Pipeline.