

## Patient Capital

**Prelims:** Current events of national and international importance | Infrastructure

### Why in News?

Recently, Ministry of Finance has established a specialized committee to simplify the Mobilization of "Patient Capital" long-term investments from domestic sources like pension funds and insurance companies into a large-scale infrastructure project.

- **Declared during** - World Bank & IMF Spring Meetings held in Washington DC, 2026.

### Patient Capital

- **Definition** - Capital invested for a long-term duration (10-30 years) where the investor does not expect quick returns on investment but seeks for a stable & long-term return.
- **Sources** - Pension Funds (*National Pension Scheme, Employee Provident Fund*) and Insurance Funds (*Private Insurance & LIC*).
- **Importance** - Infrastructure projects have Higher Initial costs & a long gestation periods.
- Unlike Banking Credits which faces *Asset-Liability Mismatch (ALM)* issues, patient Capital in this case aligns Perfectly with this time.

**Framework** - Government is using a specific framework to *provide Transparency and Visibility* for these long-term investors:

- **National Monetisation Pipeline (NMP)** - By leasing them to Private sector it is aiming at unlocking the value of brownfield public sector assets.
- **National Infrastructure Pipeline (NIP)** - A Clear roadmap of greenfield and brownfield projects across all sectors like energy, roads & railways.
- **Public-Private Partnership (PPP)** - Structured frameworks to ensure risk-sharing between the government and private entities.

### Role of Insurance sector

- **FDI Limits** - India currently is allowing 100% *FDI* in insurance sector (specifically intermediaries, with 74% in insurance companies).
- **Goal to expand** - Government is targeting deprived or Unserved segments like *Agriculture, Services & MSMEs* to increase insurance Foothold.
- **Dual Benefit** - Increased Foothold would provide *social Safety* (risk mitigation for citizens) & would simultaneously generate a huge *corpus of funds* for nation-building.

**Economic Strategy & Viksit Bharat 2047** - Secretary for Economic affairs & Chief Economic Advisor highlighted India's long-term trajectory:

- **Global Benchmarking** - Introducing Indian firms to international competition to drive productivity & innovation.
- **Institutional Reliability** - It Focusing on Predictable regulatory Environment & policy continuity to attract International and National institutional investors.

- **Productivity Push** - Moving from just mere growth to growth driven by *competitiveness and innovation*.

## Reference

[Economic standard | Govt pushing for more infrastructure](#)

