

Flaws in our Defence Procurement Policies

What is the issue?

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- The government has scrapped a 13-year-long procurement process for the 12 minesweepers warships, which are of critical importance.

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- There were also multiple other such unplanned high profile cancellation in the defence sector.

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What are some cancellations?

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- **Minesweeper Warships** - These are vessels that are specialised to diffuse or safely remove explode underwater mines that target ships.

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- For years, the navy has been adjusting its operations with just six outdated Soviet-era minesweepers, of which two retired last year.

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- The current cancellation leaves a glaring hole in India's maritime security until a new vendor is contracted, which might even take more than a decade.

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- **MMRCA Cancellation** - The cancellation of the tender for 126 "Medium multi-role combat aircraft" is another classical case.

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- This culmination in the unplanned procurement of 36 highly expensive Rafale fighters in flyaway condition from France's "Dassault Aviation".

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- **Spike Anti-Tank Missile** - The government recently cancelled the procurement of these missiles from the Israeli's "Rafael Defence Systems".

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- **Black Shark Torpedoes** - India's first Scorpene submarine, INS Kalvari, was recently commissioned, but it didn't have torpedoes (its primary

weapon).

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- This was because of the cancellation of the contract for “Black Shark torpedoes” with Italian company “WASS”.

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- The cancellation was due to the corruption case involving “VVIP chopper” sales to India by Augusta Westland, which is a ‘sister concern’ of WASS.

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Why do so many procurements fail?

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- **Ambitious Requirements** - the primary one is the flawed framing of qualitative requirements (QRs) or the performance criteria the weapon.

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- Too often, the user services (Army, Navy and Air force) tend to set very high standards in order to get the latest equipment.

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- Also, this trend is partly due to the certainty of the slow pace of procurement, as equipments would arrive late and technologies would’ve advanced.

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- Consequently, requirements become very technologically ambitious, that either just one or none of the potential suppliers would be able to meet them.

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- Since bureaucrats desire at least two eligible contenders for “price discovery”, this creates a stalemate situation.

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- **Unrealistic Demands** - This was felt in the MMRCa cancellation, when “Dassault Aviation” wasn’t willing to enter technology transfer arrangements.

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- Also, the timelines for delivery and other accessory conditions became prohibitive for the deal to proceed.

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- **The Missing Element** - Simplification of the procurement process has been repeatedly promised in the past but hasn’t happened.

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- Also, there is a lack of bureaucrats who know their subject and do not fear the possibility of subsequent investigation.

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Source: Business Standard

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