Flaws in our Defence Procurement Policies

What is the issue?

\n\n

\n
- The government has scrapped a 13-year-long procurement process for the 12 minesweepers warships, which are of critical importance.
\n
- There were also multiple other such unplanned high profile cancellation in the defence sector.
\n

\n\n

What are some cancellations?

\n\n

\n
- **Minesweeper Warships -** These are vessels that are specialised to diffuse or safely remove explode underwater mines that target ships.
\n
- For years, the navy has been adjusting its operations with just six outdated Soviet-era minesweepers, of which two retired last year.
\n
- 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.
\n
- **MMRCA Cancellation -** The cancellation of the tender for 126 "Medium multi-role combat aircraft" is another classical case.
\n
- This culmination in the unplanned procurement of 36 highly expensive Rafale fighters in flyaway condition from France's "Dassault Aviation".
\n
- **Spike Anti-Tank Missile -** The government recently cancelled the procurement of these missiles from the Israeli's "Rafael Defence Systems".
\n
- **Black Shark Torpedoes –**India's first Scorpene submarine, INS Kalvari, was recently commissioned, but it didn't have torpedoes (its primary

weapon).
\n
- This was because of the cancellation of the contract for “Black Shark torpedoes” with Italian company “WASS”.
\n
- The cancellation was due to the corruption case involving “VVIP chopper” sales to India by Augusta Westland, which is a ‘sister concern’ of WASS.
\n

\n\n

Why do so many procurements fail?

\n\n

\n
- **Ambitious Requirements -** the primary one is the flawed framing of qualitative requirements (QRs) or the performance criteria the weapon.
\n
- Too often, the user services (Army, Navy and Air force) tend to set very high standards in order to get the latest equipment.
\n
- 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.
\n
- Consequently, requirements become very technologically ambitious, that either just one or none of the potential suppliers would be able to meet them.
\n
- Since bureaucrats desire at least two eligible contenders for “price discovery”, this creates a stalemate situation.
\n
- **Unrealistic Demands –** This was felt in the MMRCA cancellation, when “Dassault Aviation” wasn’t willing to enter technology transfer arrangements.
\n
- Also, the timelines for delivery and other accessory conditions became prohibitive for the deal to proceed.
\n
- **The Missing Element -** Simplification of the procurement process has been repeatedly promised in the past but hasn’t happened.
\n
- Also, there is a lack of bureaucrats who know their subject and do not fear the possibility of subsequent investigation.
\n

\n\n

\n\n

Source: Business Standard

\n