

Reforming Defence acquisition in India

What is the issue?

\n\n

India has taken many initiatives on its defence acquisition policy landscape, yet it has failed in its implementation.

\n\n

What were the initiatives taken on defence acquisition?

\n\n

\n

- The Defence Production Policy 2018 had set targets for getting India into the world's top five defence producers and creating 3 million jobs in the defence industry by 2025.

\n

- It has promised to increase defence exports ten-fold to \$5 billion, while becoming self-sufficient in building fighter aircraft, helicopters, warships, armoured vehicles, missiles and other systems.

\n

- A draft offsets policy was issued later which proposed that vendors will be allowed to discharge offsets by creating defence manufacturing infrastructure. (such as testing laboratories, ranges and skill centres)

\n

- This will be made through sponsoring projects that generate high-technology, and through transferring critical technologies that do not exist in India.

\n

- It has also proposed special incentives for investments in two defence industry corridors in Tamil Nadu and Uttar Pradesh.

\n

- Also, Raksha Mantri's Advisory Committee on Ministry of Defence Capital Projects (RMCOMP) was set up to review critical weapon procurements and to identify why they were facing delays.

\n

- All these initiatives, though had grand objectives to promote defence acquisition, have failed to make a mark in its implementation.

\n

- This has created the need to form a defence procurement organisation in India.

\n\n

What are the progress made in forming DPO?

\n\n

- The Dhirendra Singh Committee in 2015 articulated the need for setting up a Defence Procurement Organization (DPO) outside Ministry of Defence.
- Another committee constituted under Vivek Rae in 2016 told that it would be better to refashion and strengthen the existing defence acquisition structure.
- The committee under Pritam Singh in 2017 recommended the creation of a central, autonomous and an empowered professional organization.
- This organisation will help building up indigenous defence capability as a strategic imperative for long-term self-reliance.
- However, the implementation of these committee's recommendations is getting delayed.

\n\n

What should a DPO contain?

\n\n

- **Focus** - The new DPO must holistically focus on defence acquisition, not just procurement.
- Procurement involves the straight purchase of existing defence equipment from global or domestic "original equipment manufacturers (OEMs)".

\n\n

- Acquisition includes meeting the military's need through channels such as indigenous development.
- The DRDO is currently pursuing 52 mission-mode projects (MMPs) involving an outlay of over Rs 370 billion.

\n

- But since the military is not a stakeholder in these MMPs, it does not seriously consider MMPs as acquisition options.

\n

- To overcome this, the military must take financial stakes in MMPs and participate in their oversight.

\n

- The reformed DPO must be empowered to meet a service requirement through direct purchase, manufacture under technology transfer, or through an MMP nearing fruition.

\n

\n\n

\n

- **Specialisation** - The requirements for each acquisition must be met through purpose-built Integrated Programme Teams (IPTs).

\n

- Each IPT should include the specialists needed for that specific task.

\n

- The specialist requirement will vary not just from project to project, but also at different times within the same project.

\n

- The IPT, therefore, must be constituted and re-constituted continually, in order to optimise the use of manpower to contribute to IPTs when required.

\n

- Such flexible IPT structures should eliminate the rationale for a rigid and centralised DPO.

\n

- **Role allocation** - A refurbished DPO must focus exclusively on equipment acquisition.

\n

- At present, the defence secretary spends 60% of his time on procurement rather than focussing on long-term strategy and defence diplomacy.

\n

- To overcome this, the defence acquisition wing should be upgraded, which is currently under the Department of Defence, into a full-fledged department under a secretary-level official.

\n

- Also, the dilemma regarding chairing the DPO either with a cadre of specialist acquisitions managers or with the serving bureaucrats needs to be resolved.

\n

\n\n

\n\n

Source: Business Standard

\n\n

\n

