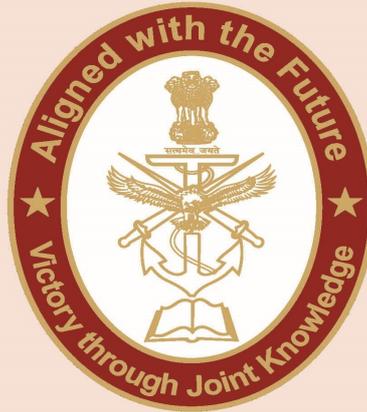


CENTRE FOR JOINT WARFARE STUDIES



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WHY PROCUREMENT PROCESSES ARE SLOW?

BY

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The recent claims on the Rafale and earlier on Bofors and AgustaWestland are indicative of a likelihood of financial involvement in defence deals. None has been investigated to its logical conclusion and guilty booked till date, while accusations by political parties continue unabated. In each case, it took 12 years before the deals were finalized, a delay which under normal circumstances is unacceptable. Added to this is the time required for delivery and induction of the equipment into service.

Every procurement demand by the armed forces takes years to fructify, giving an impression that the MoD is unconcerned, as it is neither responsible nor accountable for military actions. It is only when service chiefs project specific demands directly to the defence minister, especially if they are of a nature which impact immediate operations or the government itself decides on an equipment to bolster bilateral ties are they processed on priority. The reasons for the delay are many with even the processes designed to function in an atmosphere of 'no hurry'.

The sequence normally adopted by the ministry is to commence the assessment of any case from the lowest rung, the section or desk officer, post the case having been received. It normally takes two months even for the file to be opened. There is no rush at any stage. As with every

government department that the armed forces encounter, the case must be returned with observations more than once, prior to it even being seriously considered. This is aimed at highlighting that a detailed analysis has been done, especially if the case comes under scrutiny of statutory bodies.

Within service HQs too, the file moves slowly up and down the chain. The rectifications on observations once incorporated at the lowest level, climbs slowly upwards. Such an action automatically leads to a delay of a few months. The same exercise is repeated a few times. This implies that every projection from service HQs takes a minimum of a few years before the file is pushed to the level where a basic decision may be taken. Once the ministry is convinced after multiple movements up and down that the service is serious on procurement, then it begins the acceptance of necessity process.

This is the start of the next stage, which moves through the stages of request for proposals, trials, evaluation and analysis. Depending on the equipment this process can cover almost a decade or even more. Governments change, priorities undergo reevaluation and in few instances, qualitative requirements change. There have also been cases where the entire procurement process has been cancelled on the whiff of a kickback. Negotiations and final signing of the deal is the culminating stage, which is equally time consuming.

This delay has been created into the system for multiple reasons. The first major reason is the clear separation in the staffing pattern and roles of different establishments which form a part of the government machinery. The role of the armed forces is to ensure national security for which they desperately need the capability which they are bidding for. The MoD on the other hand is more concerned about managing the levels of funding between the services, ensuring that there is no deviation from laid down norms and coordination amongst different agencies involved in the process.

In service HQs the entire processing is conducted by the uniformed, which may desire a speedy acquisition as they are in dire need of the capability, hence continue to push. The MoD, DRDO and other agencies involved in the process comprise of civilians, more worried about following the process and rule of law, ensuring that they are not roped into any future investigation, rather than pushing to meet the needs of the military.

The second is the strict hierarchal organization in every establishment in Delhi, including service HQs. As covered above, the process has an inherent delay mechanism built into the system, which cannot be ignored. Observations raised at any level adds to the delay.

The third factor and possibly the most important is the fear of being involved in a subsequent financial scam. This implies that unless the laid down processes are strictly followed, some of those involved could be questioned for personal interest in case they bypassed the procedure. Such an action could place the career of anyone keen to rush the process, into jeopardy.

Since the main processing of the deal is the responsibility of the MoD, it is their fear that they would face the brunt of the investigation, hence unless certain and ensuring that their actions are covered, they are unwilling to move forward. Further, there are standing instructions within the government that all defence deals above a laid down figure would be investigated by multiple agencies, including CAG and CVC. This gets further compounded by claims of kickbacks raised by political parties, without understanding its implications on national security.

Fourthly, is the involvement of multiple ministries and organizations depending on the nature of the equipment. The AgustaWestland had the PMO, Ministry of Home and Finance involved. All others have the MoD, PMO and the finance ministry studying different aspects of the deal. All defence demands are routed through the DRDO, which may at times offer to develop in-house, as it happened in the Spike anti-tank missile deal. This further adds to time delays.

A system which is based on government guidelines laid down in the Defence Procurement Procedure, amended by every government to suit its own functioning remains more of a stumbling block than to speed up processes.

However, despite all checks and balances, as also claims of kickbacks, no case in India has yet been pursued to closure. In the AgustaWestland case, only Air Chief Marshall Tyagi has been questioned, arrested and released on bail, all others including bureaucrats involved in the process have yet to be even asked for explanations. Bofors continues to remain a political battle even with almost confirmed information of payments. In no case has any bureaucrat ever been questioned, which could imply that they have ensured that their end is secure, delays be damned.

The MoS defence, Subash Bamre, in his presentation to the PMO stated that the average time taken to process cases was twice the laid down duration. He stated, 'There is evident lack of synergy between the stakeholders that is among various departments of the MoD'.

This therefore brings forth only one deduction. The government machinery is willing to delay procurements only to protect itself, national security be damned. It is therefore time that the MoD looks at its existing procedures in a more realistic manner, setting down rules and guidelines seeking to establish realistic timelines for procurement.

It may have to consider establishing a separate chain within its organization, involving the serving and bureaucracy, cutting short the existing procedures. By the time most equipment is finalized, better models have entered the market. An average of 12 years for each major procurement, as followed at present, is an international joke.

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