

Article

Organisational Restructuring for Defence Planning and Capability Acquisition

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Abstract

The enduring asymmetry between India's military capabilities vis-à-vis its adversaries is a matter of concern. The widely held view that it is largely because of the politico-bureaucratic apathy, which manifests itself in the continuing absence of a National Security Strategy (NSS) as the basis for defence planning and inadequate budgetary allocations, needs reevaluation. The situation has not changed despite the government having set up a high-level Defence Planning Committee (DPC) in 2018 to inter alia draft the NSS. The budgetary allocations also continue to fall short of the requirement projected by the armed forces. This paper broadly explores these two issues and argues that there is a need to consider the desirability of setting up a 24x7 Defence Planning Board for financially viable defence planning and a bespoke Defence Capability Acquisition Organisation, both of which have been recommended in the past by committees constituted by the Ministry of Defence itself.

The continuing asymmetry between India's military capabilities vis-à-vis its adversaries, notably China, has long been the predominant theme in the local discourse on defence preparedness. What makes it more minacious is the added challenge of an obsequious Pakistan serving China's strategic interest as a virtual force multiplier even during the peace time, and their capability to foment internal unrest in India. This 'two-and-a-half front war' theory cannot be dismissed as being of little relevance in the

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context of planning the armed forces' capability development. The Ministry of Defence (MoD) does not seem to have made a serious effort to identify the root cause of this asymmetry and work out a pragmatic plan to address the problem, possibly because this worrisome assessment is not publicly acknowledged. Those in positions of power routinely profess India's capability to stand up to any challenge to its defence and security.

The vacuum has been filled by erudite commentaries which generally attribute the enduring asymmetry to the absence of strategic thinking among the political class and the civilian bureaucracy. This indifference, so the argument goes, manifests itself in excessive bureaucratic control, marginalisation of the armed forces in the decision-making structures, allocation of inadequate resources for defence, and other forms of neglect.

Several steps have been taken by the government in recent years to change this perception, including appointment of the Chief of Defence Staff and creation of the Department of Military Affairs (DMA) as the MoD's fifth full-fledged department. Other steps include greater delegation of financial powers to the armed forces, modification of procurement procedures, promotion of self-reliance via indigenous design and development of defence material, greater private sector participation in defence production, and corporatisation of the Ordnance Factory Board. Some other measures like creation of a non-lapsable modernisation fund are also being contemplated. Paradoxically, these disjointed developments have overshadowed the need, or at least diminished the urgency, for *systematic* defence planning to address the problem of growing military asymmetry in the region. Though some plans like the Annual Acquisition Plans (AAPs) continue to be regularly formulated, no information is available on the MoD website about any of these plans.

This essay argues that the tribulations of defence planning are principally on account of the existing planning structures not being suitably geared or adequately equipped to carry out this task. Some broad ideas about the structures required for systematic planning are also discussed in the concluding part.

Defence Planning Committee

Heeding the strategic community's longstanding warning that systematic defence planning is not possible in the absence of a National Security Strategy (NSS), the government peremptorily set up a high-level Defence Planning Committee (DPC) in

April 2018, which is presided over by the National Security Advisor.¹ One of the committee's tasks is to draft the NSS. To assist it in this task, the DPC set up four defence-oriented sub-committees on policy and strategy, plans and capability development, defence diplomacy and defence manufacturing ecosystem. Four years down the line, not much is publicly known about the work done by these sub-committees, or the status of the draft NSS.

Meanwhile, the armed forces have been formulating long and medium-term defence plans based on Raksha Mantri's (Defence Minister's) Operational Directives, ostensibly without feeling too constrained by the absence of the NSS, although the execution of these plans has been marred by, inter alia, dispirited monitoring and financial unviability. There is no comprehensive official account of what each of these plans set out to achieve and what was the outcome at the end of each plan. No scholarly studies seem to have been commissioned by the MoD for an objective appraisal of the plans; instead, the tendency has been to assess their efficacy through the prism of allocation and utilisation of the budget outlays.

Since systematic defence planning is not possible in the absence of a National Security Strategy, the government peremptorily set up a high-level Defence Planning Committee in April 2018.

In 2014, the Standing Committee on Defence (SCoD) asked the MoD to submit a note on the achievements of the 10th (2002-07) and 11th (2007-12) plans, in response to which the ministry merely intimated the budgetary support sought for these plans and the actual expenditure incurred during this period.² It is hard to come across any evidence of the MoD linking the problems of defence planning to the absence of the NSS. This is also true of the AAPs which are an offshoot of the medium-term plans³ and form the basis of all capital acquisitions meant to equip the armed forces with the capabilities required for discharging the multiple responsibilities cast upon them. Since the AAPs are roll-on plans, underperformance of one plan segues into the next plan unnoticed.

The prevailing system of defence planning has several drawbacks⁴, but there is little evidence that these are directly attributable to the non-existence of a documented NSS. In fact, till the DPC was constituted, the discourse on defence planning primarily revolved around 'non-approval' of the plans by the government.

Commenting on the 10th, 11th and 12th defence five-year plans in its report of May 2016, SCoD expressed surprise that these plans had not received the ‘government approval’.⁵ There is no indication in this, or the subsequent reports, of the MoD stressing that defence planning was hampered by the absence of the NSS, or the SCoD making any mention of this handicap. The 13th plan (2017-22) too did not gain traction as it was mostly a rerun of the earlier plans.⁶

National Security Strategy – A Sine Qua Non for Defence Planning

Generally speaking, the NSS of any country is a formal declaration of the government’s vision of how it intends to harness national resources to ensure territorial integrity and internal peace, promote material wellbeing of its citizens, and contribute to establishment of a rule-based international order. These perennial objectives form the core of the ‘national interest’ whichever way it is defined.⁷ These objectives encompass a whole range of broader terrestrial security concerns related to food, energy, health, education, employment, livelihood, poverty alleviation, agriculture, industry, demography, clean cities, hygiene and sanitation, soil and water conservation, environment, climate change, internal security, defence of the country’s borders, et al., just to mention a few at random. Considering the span of these disparate concerns, it is arguable if the Defence Planning Committee, whose composition is oriented towards dealing with matters related to ‘defence’ simpliciter, can factor in the variegated concerns mentioned above and formulate an overarching National Security Strategy.⁸ The two strategies cannot be equated or conflated, their interlinkage notwithstanding.

Be that as it may, military power assumes significance apropos of national security because it is the main instrument of state power against foreign aggression and, to a lesser extent, internal threats to the country’s integrity from violent and destabilising extremism. Because of their organisational structure and the resources they command, the armed forces also play a significant role in power projection in its myriad forms: securing territorial waters and sea lanes of communication, anti-piracy operations, humanitarian assistance and disaster management within and outside the country, and the like. Defence plans have so far been predicated on the assumption that the armed forces will always be responsible for the core functions enumerated above regardless of what any prospective NSS proclaims. It may be contrary to the

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conventional wisdom but, viewed from this perspective, the postulate that NSS is the sine qua non for efficient defence planning remains inadequately ideated.

The defence planners must spell out their expectations from the NSS and how the broad ideas it envisions will be converted into a definitive Defence Security Strategy (DSS), which many consider to be an important link between the NSS and defence planning. This raises the question whether the existing planning structures in the MoD and Services Headquarters (SHQs) are up to this task.

Defence Planning

The subject of 'defence planning' per se is not mentioned in the Allocation of Business Rules, 1961 which enumerates the subjects to be dealt with by various ministries and departments of the Government of India. The only reference to 'planning' in these rules in relation to the MoD is to be found in the subjects allocated to the DMA, established on January 01, 2020.

The relevant entry in these rules makes DMA responsible for 'promoting jointness in procurement, training and staffing for the Services through joint planning and integration of their requirements'.⁹ However, promoting 'jointness in procurement' through 'joint planning' is not synonymous with 'defence planning' which must take into account every function, activity, and obligation funded from the defence budget.

That said, the responsibility for 'higher defence planning' is currently shouldered by the Headquarters Integrated Defence Staff (HQIDS)¹⁰ under DMA's administrative control. Before formation of the DMA, HQIDS compiled long and medium-term defence plans based on the inputs from the individual SHQs. Though it continues to be responsible for this task, the chain of command for the purpose of planning now runs up from HQIDS to the Vice-Chiefs' Committee, Service Chiefs' Committee, DPC, Defence Minister, and the Cabinet Committee on Security (CCS).¹¹

This arrangement is not conducive to comprehensive and financially viable defence planning mainly for two reasons. First, higher defence planning is one of the many operational and administrative responsibilities shouldered by HQIDS which include matters relating to inter-services organisations, joint multi-national exercises, training, acquisition, budget, medical (sic), international cooperation, and humanitarian assistance and disaster relief.¹² This is problematic because planning is a 24x7 professional job

that requires an eclectic mix of military and non-military expertise. Second, while a few officers of the Ministry of External Affairs, Department of Defence (DoD) and Defence Research and Development Organisation (DRDO), etc., are posted at HQIDS, the latter does not exercise administrative control over the former, and other instrumentalities of the Ministry like Coast Guard and Border Roads, whose capabilities and requirements must be factored into comprehensive defence plans. As a matter of fact, defence plans must also take pensions into consideration, which account for close to 20-25 percent of the overall defence budget. The idea that defence pensions should be 'separated' from the defence budget is naive in that all government expenditure has to be met from the same source, i.e., the Consolidated Fund of India, regardless of how it is accounted for in the union budget.

Defence plans must also take pensions into consideration.

Given the vastness of its responsibilities and lack of administrative control over all departments and organisations of the ministry, HQIDS cannot devote adequate time to prepare cohesive and financially viable defence plans covering every function that all the five departments of the MoD are responsible for. This is irrespective of the question whether HQIDS has the expertise to formulate overarching plans. There are unconfirmed reports of a comprehensive plan addressing these concerns having been prepared some time in 2013 but no details are available.

Acquisition Planning

This scheme of things impacts acquisition planning which is the last link between NSS and the actual acquisition and upgrade of all manner of military equipment, platforms, weapon systems, and capabilities, collectively referred to as 'capital acquisition'.¹³ Each SHQ submits its AAP to HQIDS for consolidation into a single AAP after 'prioritisation of schemes based on the overall financial limits linked to the anticipated budget [limits being fixed in consultation with MoD (Finance)]'.¹⁴ The AAP is then approved by the Defence Procurement Board (DPB). How far HQIDS can 'prioritise' the acquisition proposals of the individual services is a moot point.

The proposals included in the AAP are pursued in accordance with the Defence Acquisition Procedure 2020 (DAP, 2020).¹⁵ The institutional mechanism for capital acquisitions comprises the Defence Acquisition Council (DAC), DPB, Services Procurement Board (SPB), Capital Acquisition Wing (CAW) in the DoD. Various other

departments like the Department of Defence Production (DDP), DRDO, DMA/HQIDS, and the SHQs also participate in the acquisition process. Though the proposals are piloted through the complex procedural made by the SHQs/HQIDS, the responsibility for specific functions like formulation of the Services Qualitative Requirements (SQRs), Acceptance of Necessity (AoN)— which is basically an in-principle approval— trials, contract negotiations, etc., keeps shifting between them and the MoD at different stages of procurement, with the Finance Division plugging into it at some critical stages. While contracts up to Rs 2,000 crore are approved within the MoD/SHQ, those exceeding this

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limit are approved by the Finance Minister or the CCS, depending on the value. This disjointed structure, with each player being subject to a different line of administrative control and exercising financial powers up to various limits, is not conducive to efficient acquisition planning or expeditious execution of the acquisition plans.

The structural and methodological inadequacies pointed out in the foregoing discussion can be summarised thus: one, the defence oriented DPC is not suitably constituted to formulate the NSS, and two, the existing MoD sub-structures are not adequately equipped to translate the NSS into defence and acquisition plans, either directly or by first promulgating a DSS, and to efficiently manage all aspects of capital acquisitions.

Formulation of NSS and DSS

While there is no question that preparation of the NSS falls squarely in the National Security Council's domain, the task is best done by a committee that is more broad-based than the DPC because the strategy must be ideated based on an eclectic approach paper, prepared after extensive deliberations among all stakeholders and a free-wheeling public debate on what its contours should be, more so when it is being formulated for the first time.

Likewise, 'conversion' of the NSS into defence plans is a complex filtration or conversion process, beginning with an extensive strategic defence review based on the NSS, followed by sequential formulation of a number of documents: Defence Security/

Military Strategy, Defence Planning Objectives, Defence Planning Guidelines, Defence Capability Development Strategy to undertake the assigned missions and tasks, Defence Capability/Technology Development Perspective, Integrated Capability Development Plan, Defence Technology Development Plan, Five-year Plans, and finally Annual Acquisition Plans comprising programmes and projects.¹⁶ This can be dismissed as academic hyperbole, but it is debatable if defence plans can be formulated in the absence of very specific actionable directives which no NSS can be expected to contain.¹⁷ It is also debatable if this task can be performed by the DMA, or even the DoD; the other three departments: DDP, Department of Ex-servicemen Welfare, and the DRDO are, in any case, ruled out because of the nature of functions they perform.

As argued earlier, the existing arrangement for defence planning which revolves around the SHQs and HQIDS is not conducive to comprehensive and financially viable defence planning. It is a daunting full-time professional task which requires coordination with all departments within the MoD and some other ministries as well, over which the SHQs and HQIDS, or even DMA or DoD, do not exercise any administrative control.

The existing arrangement for defence planning is not conducive to comprehensive and financially viable defence planning.

A Case for Defence Planning Board (DPgB)

Recognising the need for an overarching professional body, the Defence Expenditure Review Committee, set up by the MoD in 2008¹⁸, had recommended that a 24x7 dedicated DPgB be constituted, possibly with Raksha Rajya Mantri (Minister of State for Defence) as its chairman. It was recommended that the DPgB's composition should not be restricted to the serving civilians and service personnel; instead, it should be open to non-serving experts from diverse fields. The DPgB's main task was to formulate broad Defence Planning Strategy and Guidelines based on the NSS and to draw up financially viable long and medium-term comprehensive plans in accordance with those guidelines and in consultation with all stakeholders with a view to harnessing the capabilities of all organisations under the administrative control of the MoD, such as Border Roads, Coast Guard, DRDO, and Defence Public Sector Undertakings (DPSUs), apart from the industry associations, et al. It could also oversee execution of the plans and carry out mid-term reviews and course correction. The expectation was that the DPgB would also consult other ministries like

the Ministry of Finance and involve think tanks and individual experts to carry out studies and prepare approach papers in the run up to formulation of the long and medium-term defence plans. These plans could be approved by a suitably constituted overarching entity like the Defence Minister's Committee (to be constituted) and possibly the CCS—if it served some useful purpose—while the AAPs could continue to be approved by the DAC/DPB. If this idea were to be implemented in one form or the other, the work related to planning, presently being done by HQIDS, relevant directorates in the SHQs, etc., could be hived off to the DPgB, leaving them to carry on with other functions currently being performed by them.

A Case for Defence Capability Acquisition Organisation

Realising the problems specific to defence acquisitions enumerated above, a committee was constituted by the MoD in 2016 to examine the possibility of setting up an overarching organisation akin to the Direction générale de l'armement (DGA) of France, and analogous organisations in other countries like the US and UK. After intense internal deliberations and consultations with various stakeholders, this committee recommended the constitution of a Defence Capability Acquisition Organisation (DCAO). It too was to be a bespoke 24x7 overarching organisation, manned by experts drawn from diverse fields based on post-specific requirements for considerably long duration, delinking these postings from the Central Staffing System through which officers are currently posted to the MoD and other central government departments on deputation for a fixed period. This organisation was to draw up the AAPs based on the long and medium-term plans formulated by the DPgB, and in accordance with the expected budget outlays. It was also to oversee the entire gamut of activities from the time the operational requirements (ORs) were identified by the armed forces till the induction of the equipment, including formulation of SQRs. It was also to deal with matters related to life-cycle support, upgrades, life extension, and disposal of equipment.

The DCAO was conceived as an umbrella organisation with several verticals, inter-linked with the stakeholders concerned, to deal with technical issues, human resource management including training, legal and commercial issues, finances, acquisition, industry outreach, and coordination with the DRDO and the Services, etc. It was to function not only at an arm's length from the MoD but also outside the Defence Security Zone to dispel the impression of inaccessibility of the organisation and its personnel. Ultimately, it was to be answerable to the DAC.

Nothing much was heard of about the report after a detailed roadmap for setting up the DCAO was submitted to the MoD, perhaps because of the apprehension that it would subsume the functions of the Defence/Services Procurement Board, CAW, and a large part of the DDP— whose continued utility and relevance anyway needs a review after corporatisation of the Ordnance Factory Board.

In Sum

To sum up, the received wisdom postulates that NSS is an essential pre-requisite for pragmatic defence planning. While there is no question that its formulation falls squarely within the domain of the National Security Council, it is arguable if, given its composition and orientation, DPC is the appropriate body for preparing the NSS. For the reasons elaborated above, the NSS should ideally be drafted by a committee which also has non-military domain experts—not only officials from other ministries—from multiple fields as the NSS must address security concerns that transcend ‘defence’. Ad hoc induction of experts in the DPC and constitution of predominantly defence-oriented sub-committees by it, is not the ideal way to draft the NSS. The NSS must be based on an approach paper finalised after extensive public debate and internal deliberations.

The NSS should ideally be drafted by a committee which also has non-military domain experts—not only officials from other ministries—from multiple fields.

Likewise, ‘conversion’ of the NSS into defence plans, and subsequently into capability acquisition plans, is a complex filtration process which none of the existing mechanisms in the MoD are adequately equipped to handle. The HQIDS is also not the ideal agency for defence planning, as it is just one of the several responsibilities on its shoulders and, more importantly, because it does not exercise any administrative control over every instrumentalities of the Ministry like the DRDO, Coast Guard, Border Roads, and even the Defence PSUs, whose capabilities and requirements must be factored into comprehensive defence plans, not to mention the future requirement on account of defence pensions. Defence planning is a full-time specialised job which is best handled by an organisation like the DPgB.

This is also true of capital acquisitions, which are an important facet of defence preparedness. The entire process, from conversion of armed forces’ ORs into SQRs to

the life-time maintenance of the equipment, apart from its upgrade, disposal, etc., can be handled better by a 24x7 bespoke entity like the DCAO, answerable to the DAC, or even to the DPgB.

References

1. Other members of the DPC include the Foreign Secretary, Defence Secretary, Chief of Defence Staff, Chief of the Army Staff, Chief of the Air Staff, Chief of the Naval Staff, and expenditure secretaries of Ministry of Finance. The chief of the Integrated Defence Staff (CIDS) is its member-secretary. The NSA can also co-opt other members.
2. Second Report of the Standing Committee on Defence (16th Lok Sabha), para 1.28, p/16, accessible at http://164.100.47.193/lssccommittee/Defence/16_Defence_2.pdf.
3. The AAP is culled out from the five-year Defence Capability Acquisition Plan which was called Services Capital Acquisition Plan till the nomenclature was changed by the MoD in 2020.
4. Cowshish, Amit. "Discontinuance of National Five Year Plans – Time to Reevaluate Defence Planning." Manohar Parrikar Institute for Defence Studies and Analyses (IDSA), April 11, 2016. https://idsa.in/idsacomments/national-five-year-plans-defence-planning_acowshish_110416.
5. Twenty Second Report of the Standing Committee on Defence (16th Lok Sabha), para 38, p/65, accessible at http://164.100.47.193/lssccommittee/Defence/16_Defence_22.pdf.
6. Cowshish, Amit. "13th Five-Year Defence Plan (2017-22) – a Re-Run of the Past." Manohar Parrikar Institute for Defence Studies and Analyses (IDSA), July 31, 2017. https://www.idsa.in/idsacomments/13th-five-year-defence-plan-2017-22_acowshish_310717.
7. US President Joe Biden says in the concluding para of his foreword in the National Security Strategy October 2022: "This is a 360-degree strategy grounded in the world as it is today, laying out the future we seek, and providing a roadmap for how we will achieve it. None of this will be easy or without setbacks. But I am more confident than ever that the United States has everything we need to win the competition for the 21st century." The document can be accessed at <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.
8. Cowshish, Amit. "A Blunt Instrument." The Indian Express, May 24, 2018. <https://indianexpress.com/article/opinion/columns/narendra-modi-government-defence-planning-committee-nsa-general-elections-5188758/>.

9. See Item No 6 under the heading 'AA Department of Military Affairs' in the extract of the Allocation of Business Rules, 1961 available on MoD website at <https://mod.gov.in/sites/default/files/MoDall141220.pdf>.
10. See 'What We Do' page of the HQ IDS website at <https://www.ids.nic.in/what-we-do.php>.
11. See the organogram on HQ IDS website at <https://www.ids.nic.in/higher-defence-decision-making.php>.
12. For a detailed account, visit the HQ IDS website at <https://www.ids.nic.in/organisation.php>.
13. There are some analogous plans for maintenance, repair, refit, procurement of ammunition, etc., which are similarly affected, but the present discussion is limited to capital acquisition to avoid complicating the issue.
14. Defence Acquisition Procedure 2020, Chapter 1 para 25 (c) and (d).
15. This is the eighth revised version of the Defence Procurement Procedure which was first promulgated in 2002 to regulate capital acquisitions.
16. This is a summation of the ideas presented by defence analysts and scholars in various seminars and round-table discussions over the past several years.
17. This is illustrated by the fact that the US National Security Strategy 2022 also has a corresponding Defence Security Strategy 2022.
18. The reference to the recommendation made by the Defence Expenditure Review Committee regarding setting up of the Defence Planning Board, and later in this article about another committee which recommended setting up a Defence Capability Acquisition Organisation, is based on the author's recollections as a member of both the committees, as these reports are not publicly available. While there may be some difference between the narration in this article and the specific recommendations made in the committees' reports, the former reflects the author's current views on the subject.