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DAC Approves Strategic Partnership Guidelines

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In a step to boost private sector participation in domestic defence manufacturing, the Defence Acquisition Council (DAC) approved the implementation of Strategic Partnership (SP) guidelines to reduce timelines so as to ensure timely delivery of equipment to the Armed Forces

The DAC has also approved platform-specific guidelines for procurement of Naval Utility Helicopters.

Key Highlights

- Strategic Partnership model aims to revitalise defence industrial ecosystem and progressively build indigenous capabilities in the private sector to design, develop and manufacture complex weapon system for future needs of armed forces.
- The guidelines lay emphasis on promoting higher indigenous content and to incentivise the transfer of niche technology thus giving a major fillip towards encouraging self-reliance and aligning the defence sector with the 'Make in India ' initiative of the Government.
- The SP model has four segments — submarines, single-engine fighter aircraft, helicopters and armoured carriers/main battle tanks — which would be specifically opened up for the private sector.
- Under this policy, one Indian private company would be selected in each segment which would tie-up with shortlisted global equipment manufacturers to manufacture the platforms in India under technology transfer.
- All procurements under the SP model would be executed by specially constituted Empowered Project Committees to provide focussed attention and ensure timely execution.

Defence Acquisition Council

- As per the recommendations of the Group of Ministers (GoM) on 'Reforming the National Security System', the Ministry of Defence had set up broad structures and systems to deal with acquisitions.
- The Defence Acquisition Council (DAC) under the Defence Minister was constituted for overall guidance of the defence procurement planning process.
- The objective of the Defence Acquisition Council is to ensure expeditious procurement of the approved requirements of the Armed Forces in terms of capabilities sought and within the time frame.
- The functions of the DAC include:
 - In principle approval of 15 Years Long Terms Integrated Perspective Plan for Defence Force
 - Accord of Acceptance of Necessity to acquisition proposals
 - categorization of the acquisition proposals relating to 'Buy', 'Buy & Make' and 'Make'
 - Issues relating to Single vendor clearance
 - Decisions regarding 'offset' provisions in respect of acquisition proposals above Rs. 300 crore
 - Decisions regarding Transfer of Technology under 'Buy & Make' category of acquisition proposals
 - Field Trial evaluation.