

# Azure Terraform

## 1. Create the App Registration (Service Principal Identity)

This step creates the identity in Microsoft Entra ID (formerly Azure Active Directory) that Terraform will use to log in.

1. **Sign in** to the [Azure Portal](#).
2. In the search bar, type `Microsoft Entra ID` and select the service.
3. In the left-hand menu, under **Manage**, select **App registrations**.
4. Click **+ New registration**.
5. On the **Register an application** page, provide the following:
  - **Name:** Enter a meaningful name, e.g., `Terraform-SP-for-Prod`.
  - **Supported account types:** Select **Accounts in this organizational directory only (Default Directory only - Single tenant)** (This is typically the correct choice).
  - **Redirect URI (optional):** Leave this blank or set to `web` and leave the URL blank.
6. Click the **Register** button.

## Capture Required IDs

Once the registration is complete, you will be taken to the App's **Overview** page. Immediately copy and save the following two values, as they are crucial for Terraform:

- **Application (client) ID:** (This is your `ARM_CLIENT_ID`)
- **Directory (tenant) ID:** (This is your `ARM_TENANT_ID`)

## 2. Create the Client Secret (The "Password")

This is the credential (secret key) that Terraform will use along with the IDs to authenticate.

1. From the App Registration's menu (left side), select **Certificates & secrets**.
2. Click the **+ New client secret** button.
3. On the **Add a client secret** pane:

- **Description:** Enter a description, e.g., Terraform Secret .
  - **Expires:** Select an appropriate expiration period (e.g., 24 months). **Best practice** is to choose the shortest duration possible and set a calendar reminder to rotate it.
4. Click **Add**.
  5. **IMMEDIATELY COPY THE VALUE.** The **Value** of the client secret will only be displayed **once**. If you navigate away, you must create a new secret.
    - **Value:** (This is your `ARM_CLIENT_SECRET` ). **Save this value securely.**

### 3. Assign a Role (Grant Permissions)

The Service Principal exists, but it doesn't have permission to manage Azure resources yet. You must assign a role to it. The **scope** is the level where you assign the role (e.g., Subscription, Resource Group).

1. Navigate to the scope you want Terraform to manage (e.g., search for **Subscriptions** and select your target subscription).
2. In the left-hand menu for the Subscription, select **Access control (IAM)**.
3. Click **+ Add** and select **Add role assignment**.
4. On the **Role** tab:
  - Select the role: Search for and select the **Contributor** role (for full management access) or a more restricted role based on the Principle of Least Privilege.
5. Click **Next**.
6. On the **Members** tab:
  - **Assign access to:** Ensure this is set to **User, group, or service principal**.
  - Click **+ Select members**.
  - Search for the name of the App Registration you created in Step 1 (e.g., Terraform-SP-for-Prod ).
  - Select the Service Principal from the results.
7. Click **Review + assign** to complete the assignment.

### Capture Final ID

- **Subscription ID:** (This is your `ARM_SUBSCRIPTION_ID` ). You can get this from the Subscription's **Overview** page.

## 4. Configure Terraform

With the four required values obtained from the GUI steps, you can now configure Terraform to use them via environment variables:

Credential Name	Azure Portal Location	Terraform Variable
Client ID	App Registration <b>Overview</b>	ARM_CLIENT_ID
Client Secret	App Registration <b>Certificates &amp; secrets</b>	ARM_CLIENT_SECRET
Tenant ID	App Registration <b>Overview</b>	ARM_TENANT_ID
Subscription ID	<b>Subscription</b> Overview page	ARM_SUBSCRIPTION_ID

You then use these in your shell (e.g., Linux/macOS):

```
export ARM_SUBSCRIPTION_ID="<your-subscription-id>"
export ARM_TENANT_ID="<tenant-id>"
export ARM_CLIENT_ID="<application-id/client-id>"
export ARM_CLIENT_SECRET="<client-secret>"
```

And your Terraform configuration will look like this:

```
terraform {
  required_providers {
    azurerm = {
      source = "hashicorp/azurerm"
      version = "~> 3.0"
    }
  }
}

"azurerm" ">provider "azurerm" {
  features {}
  # Terraform will automatically read the ARM_* environment variables
}
```

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