

## Module 8 - Infrastructure as Code in Azure DevOps

### 1. Integrating Terraform / ARM / Bicep in Azure Pipelines

Azure DevOps supports **multiple IaC tools** for provisioning and managing Azure resources:

- **Terraform** (HashiCorp, cloud-agnostic)
- **ARM Templates** (Azure-native JSON templates)
- **Bicep** (modern, declarative DSL that compiles to ARM)

You can use these tools inside **YAML pipelines** and **classic pipelines** to:

- Create resource groups, VNets, storage, App Services, AKS, etc.
  - Standardize infrastructure definitions
  - Enforce repeatable, idempotent deployments
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#### 1.1 Terraform in Azure Pipelines

Terraform is very commonly used with Azure DevOps.

Typical components:

- terraform init → initialize backend + providers
- terraform plan → show what will change
- terraform apply → apply changes

You usually:

1. Store Terraform configuration (\*.tf) in the repo
2. Use Azure Storage as remote backend (for state)
3. Use Azure service principal / OIDC for authentication

Pipeline steps:

- Install Terraform
  - Set environment variables for credentials or use service connection
  - Run init, plan, apply
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#### 1.2 ARM Templates in Azure Pipelines

**ARM (Azure Resource Manager) templates** are JSON-based, Azure-native IaC.

Azure DevOps provides a built-in task:

- AzureResourceManagerTemplateDeployment@3

This task can:

- Deploy ARM templates to:
  - Resource group
  - Subscription
  - Management group
  - Tenant
- Support parameters & incremental/complete mode

Typical usage:

- task: AzureResourceManagerTemplateDeployment@3

displayName: 'Deploy ARM template'

inputs:

deploymentScope: 'Resource Group'

azureResourceManagerConnection: 'MyServiceConnection'

subscriptionId: '\${subscriptionId}'

action: 'Create Or Update Resource Group'

resourceGroupName: 'rg-demo'

location: 'Central India'

templateLocation: 'Linked artifact'

csmFile: 'infra/main.json'

csmParametersFile: 'infra/parameters.json'

deploymentMode: 'Incremental'

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### 1.3 Bicep in Azure Pipelines

**Bicep** is a higher-level language that compiles to ARM.

You can deploy Bicep via:

1. **Azure CLI task** with az deployment ... commands
2. **AzureResourceManagerTemplateDeployment task** after pre-compiling Bicep to ARM (optional)

Example using Azure CLI task:

- task: AzureCLI@2

displayName: 'Deploy Bicep file'

inputs:

azureSubscription: 'MyServiceConnection'

scriptType: 'bash'

scriptLocation: 'inlineScript'

inlineScript: |

```
az group create -n rg-demo -l centralindia
```

```
az deployment group create \
```

```
--resource-group rg-demo \
```

```
--template-file infra/main.bicep \
```

```
--parameters appName=myapp-demo
```

Bicep benefits:

- Cleaner syntax than ARM JSON
- Modules, type safety, IntelliSense in VS Code

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## 2. Service Connections (Azure RM / Service Principal)

To let pipelines talk to Azure securely, Azure DevOps uses **service connections**.

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### 2.1 Azure Resource Manager Service Connection

An **Azure RM service connection** uses:

- A **Service Principal** (App registration in Entra ID)
- With a defined **role** (typically Contributor)
- Scoped to:
  - A subscription, or
  - A resource group

Types:

1. **Service principal (automatic)**
  - Azure DevOps automatically creates SPN in your tenant
  - Recommended when you have admin rights and want easy setup
2. **Service principal (manual)**
  - You create SPN yourself (via portal/CLI)
  - Then supply **Client ID / Secret / Tenant / Subscription** in DevOps

- Useful when SPN is centrally managed by cloud team

### 3. **Managed Identity (for some scenarios)**

- When using self-hosted agents running in Azure with managed identities
  - DevOps can use that identity instead of client secret
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## 2.2 Creating an Azure RM Service Connection

1. In Azure DevOps, go to: **Project Settings** → **Service connections**
2. Click **New service connection**
3. Choose **Azure Resource Manager**
4. Choose **Service principal (automatic)** or **(manual)**
5. Select subscription and scope
6. Give a recognizable name (e.g. sc-azure-dev-terraform)
7. Grant access permission to all pipelines (if desired)

In YAML, you refer to it as:

azureSubscription: 'sc-azure-dev-terraform'

or

connectedServiceNameARM: 'sc-azure-dev-terraform'

depending on the task.

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## 2.3 Service Principal (Terraform Perspective)

For Terraform, SPN can be passed via **environment variables**:

- ARM\_CLIENT\_ID
- ARM\_CLIENT\_SECRET
- ARM\_TENANT\_ID
- ARM\_SUBSCRIPTION\_ID

These are normally stored as **secret variables** or variable groups in Azure DevOps and mapped into pipeline environment.

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## 3. Lab: Provision Azure Resources via Terraform Pipeline

Goal:

Use **Terraform + Azure DevOps YAML pipeline** to provision:

- Resource Group

- Storage Account

You can easily extend this later to App Service, VNets, etc.

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### 3.1 Terraform Files

Assume repo structure:

infra/

main.tf

variables.tf

backend.tf

#### 3.1.1 backend.tf (Remote backend in Azure Storage)

```
terraform {  
  backend "azurerm" {  
    resource_group_name = "rg-tfstate"  
    storage_account_name = "sttfstate12345"  
    container_name      = "tfstate"  
    key                  = "demo.terraform.tfstate"  
  }  
}
```

Note: rg-tfstate, sttfstate12345, and tfstate should already exist (can be created manually or via a separate bootstrap step).

#### 3.1.2 main.tf

```
terraform {  
  required_version = ">= 1.5.0"  
  required_providers {  
    azurerm = {  
      source = "hashicorp/azurerm"  
      version = "~> 3.0"  
    }  
  }  
}
```

```
provider "azurerm" {  
  features {}  
}
```

```
resource "azurerm_resource_group" "rg" {  
  name     = var.resource_group_name  
  location = var.location  
}
```

```
resource "azurerm_storage_account" "sa" {  
  name                = var.storage_account_name  
  resource_group_name = azurerm_resource_group.rg.name  
  location             = azurerm_resource_group.rg.location  
  account_tier        = "Standard"  
  account_replication_type = "LRS"  
}
```

### **3.1.3 variables.tf**

```
variable "resource_group_name" {  
  type     = string  
  description = "Name of the resource group"  
}
```

```
variable "location" {  
  type     = string  
  description = "Azure region"  
  default   = "Central India"  
}
```

```
variable "storage_account_name" {  
  type     = string  
  description = "Storage account name (must be globally unique)"
```

```
}
```

Optionally create terraform.tfvars for local runs; pipeline can pass values via -var flags.

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### 3.2 Secure Variables for Terraform in Azure DevOps

We'll authenticate Terraform via *ARM\_ environment variables*\* set as pipeline variables (ideally in a variable group).

In **Library** → **Variable groups** (e.g. vg-terraform-azure):

- ARM\_CLIENT\_ID (secret)
- ARM\_CLIENT\_SECRET (secret)
- ARM\_TENANT\_ID (secret or non-secret)
- ARM\_SUBSCRIPTION\_ID (secret or non-secret)

These come from your Service Principal.

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### 3.3 YAML Pipeline – Terraform Plan & Apply

Create azure-pipelines-terraform.yml in repo root:

trigger:

branches:

include:

- main

pool:

vmImage: 'ubuntu-latest'

variables:

- group: vg-terraform-azure # Contains ARM\_... env variables

stages:

# -----

# Stage 1: Terraform Validate & Plan

# -----

- stage: Terraform\_Plan

displayName: 'Terraform - Validate & Plan'

jobs:

- job: Plan

displayName: 'Terraform Plan'

steps:

- task: TerraformInstaller@1

displayName: 'Install Terraform'

inputs:

terraformVersion: '1.6.0'

- script: |

cd infra

terraform init

terraform validate

displayName: 'Terraform Init & Validate'

env:

ARM\_CLIENT\_ID: \$(ARM\_CLIENT\_ID)

ARM\_CLIENT\_SECRET: \$(ARM\_CLIENT\_SECRET)

ARM\_TENANT\_ID: \$(ARM\_TENANT\_ID)

ARM\_SUBSCRIPTION\_ID: \$(ARM\_SUBSCRIPTION\_ID)

- script: |

cd infra

terraform plan \

-var "resource\_group\_name=rg-tf-demo" \

-var "storage\_account\_name=sttf\$(Build.BuildId)"

displayName: 'Terraform Plan'

env:

ARM\_CLIENT\_ID: \$(ARM\_CLIENT\_ID)

ARM\_CLIENT\_SECRET: \$(ARM\_CLIENT\_SECRET)

ARM\_TENANT\_ID: \$(ARM\_TENANT\_ID)



ARM\_SUBSCRIPTION\_ID: \${ARM\_SUBSCRIPTION\_ID}

- task: PublishBuildArtifacts@1

displayName: 'Publish Plan (optional)'

inputs:

PathtoPublish: 'infra'

ArtifactName: 'tf-infra'

publishLocation: 'Container'

# -----

# Stage 2: Terraform Apply (with approval)

# -----

- stage: Terraform\_Apply

displayName: 'Terraform - Apply'

dependsOn: Terraform\_Plan

condition: succeeded()

jobs:

- deployment: Apply

displayName: 'Terraform Apply'

environment: 'Terraform-Prod' # environment can have approvals configured

strategy:

runOnce:

deploy:

steps:

- task: TerraformInstaller@1

displayName: 'Install Terraform'

inputs:

terraformVersion: '1.6.0'

- script: |

cd infra

```
terraform init
```

```
terraform apply -auto-approve \
```

```
-var "resource_group_name=rg-tf-demo" \
```

```
-var "storage_account_name=sttf$(Build.BuildId)"
```

```
displayName: 'Terraform Apply'
```

```
env:
```

```
ARM_CLIENT_ID:    $(ARM_CLIENT_ID)
```

```
ARM_CLIENT_SECRET: $(ARM_CLIENT_SECRET)
```

```
ARM_TENANT_ID:    $(ARM_TENANT_ID)
```

```
ARM_SUBSCRIPTION_ID: $(ARM_SUBSCRIPTION_ID)
```