

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

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

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'
```

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
-

2. Service Connections (Azure RM / Service Principal)

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

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
-

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.

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.

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.

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.

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.

3.3 YAML Pipeline – Terraform Plan & Apply

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

trigger:

branches:

include:

- main

pool:

vmlImage: '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)
```