



BRAC Social Innovation Lab presents

# FAILURE REPORT 2022-23

Compiled in collaboration with the  
Monitoring, Evaluation, Accountability and  
Learning Department



WHY  
“FAILURE”  
REPORT?

# FAIL LEARN

The LOUDEST question we have been asked while working on this report has been

## Why not just call it a learning report?

After years of writing this report, we have noticed that the aversion to mention the word 'failure' still persists. The word remains stigmatised, and we are adamant that we must break this framing.

We must do so because 'we failed, but we will learn from this' should not be a scary thing to say. Sure, failure has costs - but until we have tried

an approach and failed, we can never say that we have true contextual proof that something will not work.

The far bigger risk, according to us, is playing it safe. Without daring to fail, there is no real innovation, or change. Thus, we must keep trying and failing, and we must keep learning and innovating.



**The lens**  
for this report

Failure does not denote the end of the story. Every failure represents a chance to do better. As an organisation with innovation at the centre of its work, there is no choice but to encourage failing fast and failing forward.

The goal of these reports has historically been to highlight that even organisations as large as BRAC run into failure from time to time. In fact, we want to say that it has to do so. No one can claim to have achieved great change without daring to risk failure.

This year, we will take you through four stories. Some stories are about us missing the mark in brave new attempts. Some are about us learning big things from small mistakes. All of them are important to share.

Our hope is that this report will guide you to not repeat the same mistakes. But you probably will fail in other ways. Because if you want to be innovators, fail you must, learn you must, and share you must.

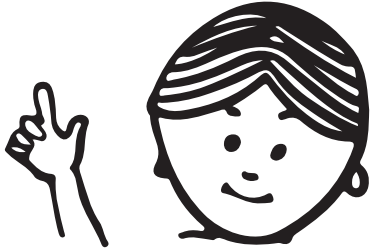


**Big learnings**  
from **big**  
**enterprises**



**What trying  
to set up a  
large-scale,  
collective  
enterprise  
for returnee  
migrant  
workers has  
taught us.**





Migration is very important to Bangladesh, being a country that heavily relies on remittance from abroad. It is, however, one of the most challenging and difficult processes to manage. BRAC's Migration Programme works in both fostering safer migration processes and ensuring that returnee migrant workers are properly reintegrated.

As part of the reintegration efforts, the Prottasha project

was launched in 2017, in partnership with the International Organization for Migration (IOM), and the Government of Bangladesh (GoB). Funded by the EU, it was a 5-year project, and one activity under it was to create community enterprises with 3,000 returnee migrant workers from the EU as our programme participants. While an enterprise was created, it was very different from what we had envisioned.

# Challenges:



In its prior work with returnee migrant workers, BRAC has been in the practice of setting up small businesses for individuals. These single-person operated enterprises would look like grocery shops, poultry farms and the like - whichever the participants in question would be interested in and capable of running. While this effort worked well, the BRAC and IOM teams had wondered, if with a large collective enterprise, they could simultaneously help protect individual business

owners from shocks and open up new frontiers to support the participants. As IOM had tried this at a smaller scale, there was faith in the concept.

Initially, the team had allocated BDT 4 crores (over USD 364,000) to work in 10 districts in Bangladesh, establishing one enterprise per district. Business development and legal consultants onboarded as part of the project would identify suitable businesses to invest in per area. Participants

from those districts would then be able to collectively run the businesses and earn profit. The businesses would be based on what works in each district; for example, fisheries in Dumuria, fabrics manufacturing in Narsingdi, etc.

However, as work began, the team ran into trouble. In some regions where participants resided, there were no suitable businesses to invest in. Even where we could find businesses, the

amount of capital we had per district would not lead to suitable returns. Our legal consultant, again revealed that regulations regarding collective equity firms would mean that we could only form these community enterprises with up to 30 participants. Beyond this number, a public limited company (PLC) would have to be formed instead. 10 PLCs would require 10 different board of directors nominated from amongst the participants. We were not able to gather such a large

number of returnee migrant workers with the necessary expertise.

The best way to move forward, therefore, would be to consolidate to one PLC. Thus, the Prottasha Community Enterprise was established, with the participants as shareholders. The company would be earning returns for the participants by making a series of short, mid and long term investments in a number of sectors ranging from e-commerce to finance.

However, the hurdles did not end there. Many of the participants did not possess legal documents (eg, National ID, TIN certificate) required to become shareholders. This meant that after the team's efforts to facilitate them to acquire documents where they could, only 508 out of the 3,000 participants of this project were able to obtain shares.

# How the community enterprise idea changed through the project

## Idea Stage:

10 businesses in 10 areas, based on the strengths of that area, to be scoped out by the project.

## Challenge:

Mismatch in opportunity and geographical location of participants + Availability of expertise

## 1st Iteration:

Centralised PLC that invests in a mixed portfolio and has participants as shareholders

## Challenges:

Lack of essential documentation on the participants part

## 2nd Iteration:

Same model, but with much fewer (508, instead of 3000) participants

# The structure of Prottasha Community Enterprise PLC

**8** participants  
in board of  
directors

**3** experienced  
independent  
directors

Advisory board  
of BRAC and  
IOM

## Prottasha Community Enterprises PLC

Short term  
investments

Medium term  
investments

Long term  
investments

Eight participants (one from each district) were inducted into a board of directors. Recognising that some additional expertise may be required, three experienced independent directors were onboarded pro-bono. An advisory board of BRAC and IOM personnels had also been set up to support them.

The enterprise was expected to be able to

generate revenues from 2024 onwards, and share dividends with the participants after two to three years. While it stands to give the participants monetary benefits and learnings on how to run big businesses, it is a far cry from the impact we had expected to achieve, in the localities we initially targeted. These dividends come within two or three years,

whereas the participants in question may have needed more short-term cash inflows. Therefore, while the enterprise may succeed in protecting the participants from shocks in a particular industry or individual health crises in the long run, it has come at a new cost.

**Lesson**

for the future:






### **Capacity-first approach**

Capacity-building, skills-development, and motivating the participants are the key areas we should have acknowledged and worked on before piloting the project.

Interventions must always match the capacity of the participants, and if not, the first thing to do is to bridge the gap. Along with capacity, we also needed to ensure that they are able to obtain any necessary documents which are missing, well in advance.



### **Slow and steady steps, not large leaps**

When we started the project, we only had experience setting up single-person enterprises for returnee migrant workers. While dreaming big was definitely necessary, we may have benefited by starting smaller (eg, five-person businesses). This is exactly the direction the Migration



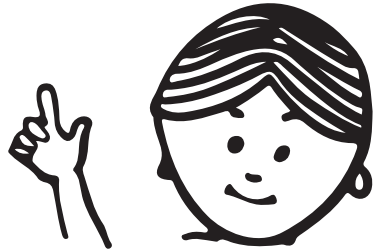
Programme has been thinking of taking, going forward.

Progressive steps would also have made us aware of the legal challenges step-by-step, and could allow a steady process for building the capacity of our participants, giving us enough time to discover and fill the gaps in their documents.

The **beauty of**  
**perspective**



## **Learnings from cross- programme collaboration**



One of the tools at the disposal of the BRAC Water, Sanitation and Hygiene (WASH) programme in its mission to increase the access to safe water, sanitation and hygiene practices, is the WASH loan. This is a loan product developed by the WASH programme in 2017, that has been disbursed in a range of contexts, starting from entrepreneurs filtering and selling water in areas with

high salinity to the building of sanitary latrines all over the country. Since its inception, 33,000 loans worth 116 crore BDT have been disbursed to clients in need.

In one such recent use in collaboration with BRAC Microfinance, however, BRAC WASH uncovered a very interesting learning with significant implications.

# Challenges:



The collaboration was set up on the basis of agreed upon mutual strengths: the WASH field staff members would adeptly scout individuals or households who would desperately need WASH services, and the Microfinance field staff members would conduct robust repayment capacity assessments (RCA). This would let us find ideal clients for this loan product.

After the first few months of implementation, when the programme team assessed the performance of the above, the results were not very promising - the total amount of loans disbursed were around 20-30% of what was expected.

As it happens, many of the loans recommended by the WASH programme organisers

were not being approved by the Microfinance field office.

A deeper dive made the story clearer. While the WASH field organisers were identifying the need for WASH services and infrastructure in the community, they were not equipped with some of the more advanced techniques that the Microfinance programme uses to

understand re-payability. The Microfinance programme organisers would, for example, be able to rapidly assess the condition of a motorcycle in the household to extrapolate a steady income source. The understanding is that if a household is regularly spending on fuel for the motorcycle, then there must be a strong regular cash-inflow as well.

Upon discovering this, the team implemented a quick basic training package designed to give the WASH programme organisers a comprehensive idea of how to assess the re-payability of microloans. In five sessions, all staff members for the project were up to date on recognising good loans.

The result was an increase in the percentage of approved loans up to 80%.

**Lesson**

for the future:






## Identify different perspectives to a problem for efficient design

Creating access to WASH services and disbursing loans that the loanee has the capability to pay back are two sides of the same coin in the mission to meet a community's hygiene and sanitation needs. While an initiative entails participation of multiple teams with varied skill


sets, it is critically important to determine a common platform of understanding with space for clear communications.

In any problem we are trying to solve there are multiple such perspectives that enable us to grasp a full picture of the context. To design effectively is to constantly be on the lookout for different perspectives and lenses to the same problem.



## Collaborate often, especially with experts in your target activity

Cross-programme collaborations are a goldmine of insights. Collaborations have a unique ability to organically identify and share learning, and if the option to collaborate exists, using it as much as possible is the right call.

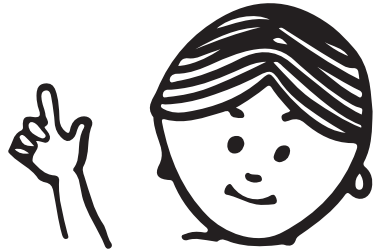


While learning will surely happen passively in collaborations, making an active effort to keep learning components might go a long way.

# Taming the informal economy



## What BRAC learnt from a prototype with street vendors in Mirpur



The informality of street vending presents a big urban planning challenge in Bangladesh, especially in terms of pedestrian and vehicle traffic.

In 2022, BRAC Urban Development Programme (UDP) took a stab at this problem. By applying a systematic approach, UDP wanted to prototype a model that would respond to the problems of street vending while protecting the livelihoods

associated at the same time. Onboarding the mayor and councillor of Dhaka North City Corporation (DNCC), UDP worked to develop a legalisation and regulation model.

The model did not quite work as expected, but by asking 'why', we have uncovered valuable insights on working in the informal and political economies of urban areas.

# Challenges:



The model was simple: street vendors at the Mirpur-10 intersection would legally occupy parts of the footpath from 4pm to 10pm, five days a week. Beyond these times, the DNCC would work to provide alternate employment opportunities for the vendors. Additionally, the UDP team only implemented this after holding consultations with the vendors and obtaining a positive response. But as with most interventions, complexities were quick to appear as implementation began.

Firstly, we were unable to stop the process of under-the-table ‘rent money’ that vendors have to pay to powerful locals to operate. There is no legal framework for street vending, thus this monetary exchange is also illegal. Our hope was that making street vending official through DNCC’s help would stop them having to make such payments, but it wasn’t enough in this pilot.

Secondly, the short pilot radius meant that vendors would frequently see other vendors

operating under the old system of no regulation.

Since many vendors agreed to take part in the pilot, primarily due to the promise that this ‘rent-seeking’ would be halted and they would not be evicted, these two issues caused our vendors to gradually drop out of the system.

**Lesson**

for the future:



**When testing an intervention through a pilot, it helps to isolate complexities**

The Mirpur-10 intersection is one of the busiest in Dhaka and one where street vending is most prevalent. The influence of the aforementioned locals are also stronger here, and thus difficult to break.



For a pilot, we needed a less complex playing field with more

control of the context, where we understand the political economy better. More control of the context could look like, perhaps a smaller municipality where the elected representatives we work with have more power. It could also look like deeper collaboration with law enforcement. UDP is already working on a second pilot in such a context to create a better understanding of the solution.



**The need to create a natural buy-in**

Why would street vendors want to be a part of our project? How can we offer enough value for them to want to use it? We need to ensure that the vendors have an incentive to be a part of our process, and we need to ensure it is executed as promised.



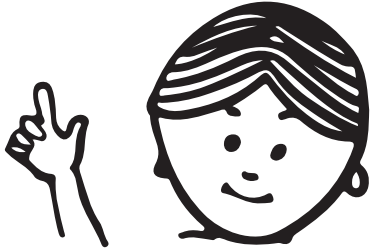
If that is not possible, we could select target areas that are well isolated from areas following the old system. If the vendors are constantly reminded of the comparison, it is likely for doubt to creep in, causing a risk of them abandoning the pilot before the result is clear.



# Revisiting the graduation cycle



**What the disability-  
inclusive Ultra-  
Poor Graduation  
(DIUPG) approach  
pilot teaches us  
about going beyond  
standardised models**



BRAC Ultra-Poor Graduation (UPG) Programme, based on the Graduation approach, is one of the flagship programmes of the organisation. The model, consisting of a rigorous targeting process, followed by a 24-month intervention phase of asset transfer, hands-on coaching and other support, has been adapted to and tailored across a variety of contexts both within and outside Bangladesh. To align the concept of 'leaving no one behind', a programme

was specifically designed for persons with disabilities in 2021. The programme, titled 'disability-inclusive Ultra-Poor Graduation', was piloted in four districts, in collaboration with Handicap International - Humanity & Inclusion (HI). The wealth of insights that we have gathered in this and other hitherto unexplored areas indicate that we need to delve deeper into already-established development models in order to ensure inclusion.

# Challenges:



Over the last 21 years, UPG has supported approximately 2.2 million households in their journey for a better life. While many households with persons with disabilities have been included in the programme, the interventions mostly had the primary recipient at the centre - and not the persons with disabilities.

To tailor the programme for persons with disabilities means understanding the intricacies of disability inclusion, and the team relied on the support of

the pilot partner HI, who are experts in the field.

In this collaboration, the team designed a set of interventions that included the traditional pillars of the Graduation approach, along with specific components like psychosocial and rehabilitation support for persons with disabilities, as well as training given to their caregivers so that they can better support the person. Through the pilot interventions, we have found a few new pressure points.

The set of interventions under the four pillars of the Graduation approach differ based on their respective contexts and target groups. But tailoring the programme for persons with disabilities poses certain challenges beyond those. Not only do different disabilities have different effects, certain household members may have multiple disabilities, creating a large permutation of different cases.

At the same time, the presence and attitude of caregivers is also a large factor. The DIUPG sometimes requires caregivers to be proxy managers of the assets if simply supporting the participant is not enough, depending on their context. One big challenge, therefore, is how to keep the persons with disabilities at the centre of the process, even when part of the UPG intervention

is technically received by someone else. At its best, an asset transfer would look like setting up a small grocery shop for the programme participant with a mobility impairment, instead of giving them livestock to manage. In cases where this is not possible, the caregiver may need to be more involved. In all instances, the asset always belongs to the participant.

All of this builds up to a case, where the tried and tested UPG approach needs change. The team now believes that directly giving the persons with disabilities assets after selection and training as is done for the existing models, will not work. Instead, up to three to six months may be needed to properly understand the full effect of the person's disability in their life, which

# The changes in the two processes

## Old

Targeting the households with persons with disability for the programme

Distributing assets and offering psychosocial and rehabilitation support

Continuing support and mentorship throughout UPG process

Graduation after 24 months in the programme

## New

Targeting the households with persons with disability for the programme

Taking some time to understand specific need according to the disability and offering psychosocial and rehabilitation support

Distributing assets based on better understanding of need

Continuing support and mentorship throughout UPG process  
Graduation, but on a timeline calculated based on need

then allows for the right asset to be matched. This extra time, during which the psychosocial and rehabilitation support, and the caregiver sensitisation is ongoing, may also improve their context and allow for the participant to be given an asset that is more profitable but requires more attention; eg - livestock instead of a small grocery store.

Finally, taking the extra time means that we may no longer be able to keep a standardised 24 month cycle for all UPG programmes. In some cases, more time may be needed.



**Lesson**

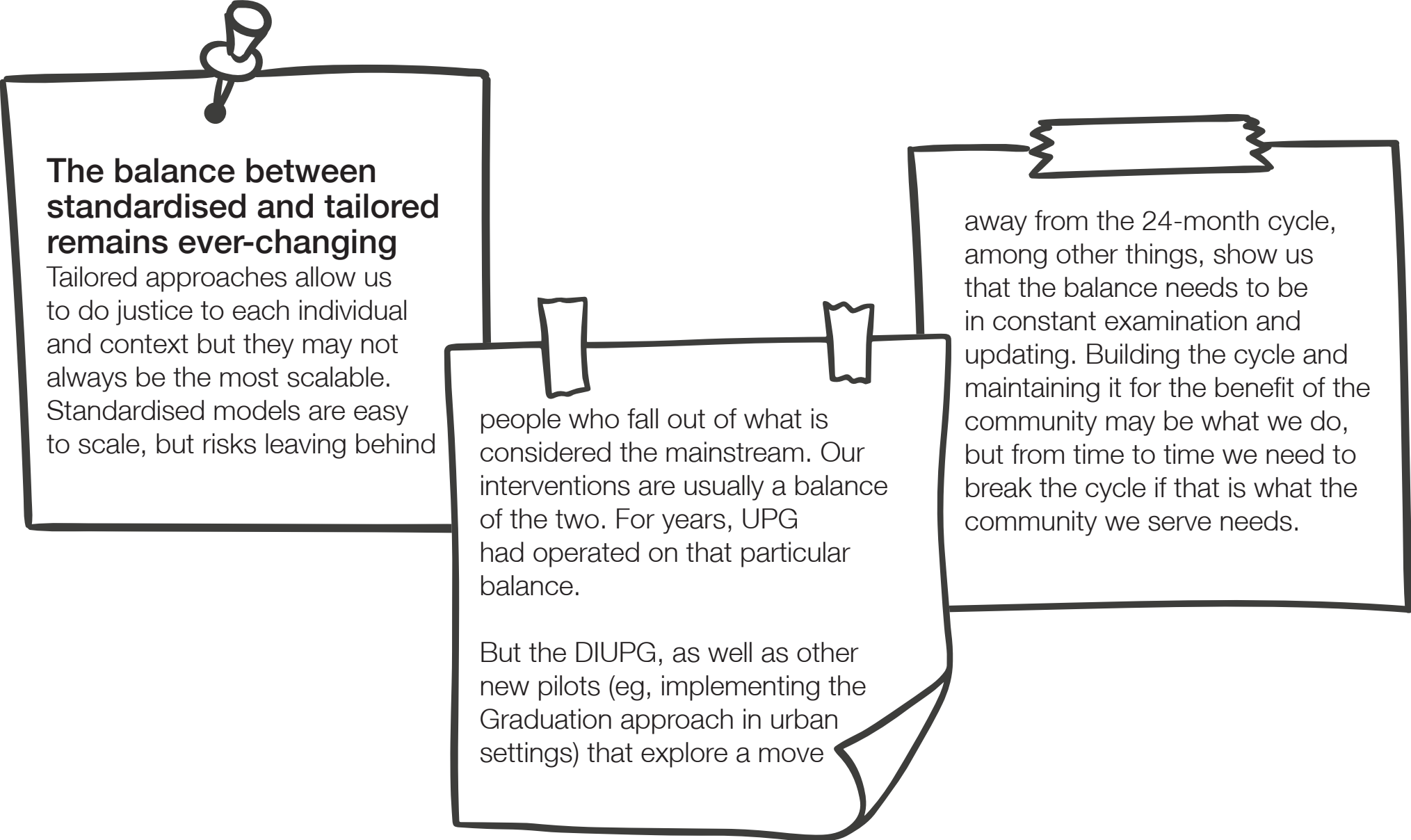
for the future:



**There is significant need for targeted pilots within standardised approaches**

Knowing that persons with disabilities require a tailored and intensive approach begs the question: have we been failing them in our traditional

model for 21 years? If the goal of leaving no one behind is to be reached, then questions like these need to be asked by all of us working on proven standard models, and there is no better way to answer these questions than through such pilots.



**The balance between standardised and tailored remains ever-changing**

Tailored approaches allow us to do justice to each individual and context but they may not always be the most scalable. Standardised models are easy to scale, but risks leaving behind

people who fall out of what is considered the mainstream. Our interventions are usually a balance of the two. For years, UPG had operated on that particular balance.

But the DIUPG, as well as other new pilots (eg, implementing the Graduation approach in urban settings) that explore a move

away from the 24-month cycle, among other things, show us that the balance needs to be in constant examination and updating. Building the cycle and maintaining it for the benefit of the community may be what we do, but from time to time we need to break the cycle if that is what the community we serve needs.



**These are just a few stories that we've been able to collect for this cycle of the failure report. We would love to hear your thoughts, feedback and more, especially if you have unique stories of your own to share.**

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