BRAC Social Innovation Lab presents

FAILURE REPORT 2026

Hi, Tia Apa Again!

"I am here to guide you throughout
the Failure Report 2026"

WHY A **FAILURE** REPORT

In the 1980s, BRAC worked to reduce the under–five mortality rate from diarrhea in rural Bangladesh, by teaching mothers to prepare and administer oral hydration therapy at home.

Our initiative was met with skepticism, including those close to BRAC's founder, Sir Fazle Hasan Abed. The local World Health Organisation (WHO) representative thought the idea was dangerous. But guided by evidence and a firm belief in the capacity of the people, BRAC moved forward. The evidence came from emerging research at the time (The Lancet, 1978; Cash, 1979; Cutting et al., 1979) which showed that oral re-hydration therapy could be prepared safely at home which BRAC managed to replicate. The belief in the capacity of the people?

That was BRAC's experience on the ground at play.

It was not until the initial reports started coming in when we found that only 6% of mothers we worked with were able to make the solution properly.

But BRAC did not stop at the sight of failure. The team kept asking, "Why did this happen?" Soon, this number rose to 18% and then 50%. Over time, the formula—a fistful of sugar, a pinch of salt, and half a litre of water—became a household remedy across the country.

By 2002, the under-five mortality rate due to diarrhea had dropped by 80%.

As the above story illustrates, learning from and managing failure has always been part of BRAC's DNA. In development, success depends heavily on people, relationships, and context, all of which are constantly evolving. As a result, failure is often an inevitable part of the journey toward finding solutions that truly work.

That is why, at BRAC, we believe that how we respond to failure matters as much as the failure itself. Failure should not be hidden, but examined, discussed, and learned from. By sharing our failures and the lessons they have taught us, we hope to contribute to a culture where organisations across the sector can be more open about what did not work, learn faster, and ultimately design better solutions for the communities they serve.

Welcome to the sixth edition of BRAC's Failure Report. We hope that you will enjoy reading and learning as much as we did writing and learning.

A note to the reader: *in our experience, failure is rarely experienced in exactly the same way by everyone involved. The stories in this report are written from BRAC's perspective, reflecting our own reflections and learnings on our failures. Any references to partners or other stakeholders are included for context and should not be taken as representing their perspectives.*

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Acronyms

ADP	–	Adolescent Development Programme
AGYW	–	Adolescent Girls and Young Women
AIM	–	Accelerating Impact for Young Women (a Mastercard Foundation programme delivered in partnership with BRAC)
BDT	–	Bangladeshi Taka
BGMEA	–	Bangladesh Garment Manufacturers and Exporters Association
BHP	–	BRAC Health Programme
BKMEA	–	Bangladesh Knitwear Manufacturers & Exporters Association
BLC	–	BRAC Learning Centre
CNC	–	Computer Numerical Control
COVID-19	–	Coronavirus Disease 2019
DGBP	–	Danida Green Business Partnerships
DMDP	–	Danida Market Development Partnerships
ELA	–	Empowerment & Livelihoods for Adolescents
ETP	–	Effluent Treatment Plant
FIF	–	Frugal Innovation Forum
HCMP	–	Humanitarian Crisis Management Programme
IRO	–	Intelligent Reverse Osmosis
LSE	–	London School of Economics
MEAL	–	Monitoring, Evaluation and Learning
MIT	–	Massachusetts Institute of Technology
NGO	–	Non-Governmental Organisation
PPE	–	Personal Protective Equipment
RCT	–	Randomised Controlled Trial
RMG	–	Ready-Made Garment
RO	–	Reverse Osmosis
SIL	–	Social Innovation Lab
SK	–	Shastho Kormi
UCL	–	University College London
WASH	–	Water, Sanitation and Hygiene
WHO	–	World Health Organisation
WTP	–	Water Treatment Plant

We finally built a digital data system for our health programming, but we forgot to centre our users:

Lessons from mHealth

In 2021, BRAC's Health Programme (BHP) piloted a digital data collection system for its health interventions across Bangladesh. The software, built in partnership with mPower Social Enterprises Ltd, would enable the programme to track profiles of service recipients, reducing the time frontline workers spent on manual data collection and record-keeping.

Prior to this, frontline staff relied entirely on paper records. They used to record the same information multiple times: one for the patients, one for BRAC's record and one as a back-up. With the new system, they could potentially just collect it once on a tablet device out in the field. On top of this, having more data digitally available sooner would help BHP take more data-driven decisions. The potential benefits seemed clear, and our hopes were high.

Our design of the system, however, did not allow us to deliver on those high hopes. Crucially, we had forgotten the human at the centre: our frontline health worker.

By the end of 2024, the team had to pivot, cutting down data points and redesigning the system to be more user friendly.

The Story

The Context

BRAC's Health Programme is among the longest-running programmes at the organisation. In the 2000s, the organisation's health interventions ran across the 64 districts of Bangladesh with an army of 30,000 frontline community health workers, known as shastho kormis (SK).

SKs would each be responsible for a couple of villages, supported by health volunteers in each village. They would keep tabs on health issues in each village, particularly pregnant mothers (or would-be pregnant mothers), at a time when maternal mortality was incredibly high. The SK would not just respond to health concerns, but also identify risks early and monitor cases over time, enabling more timely and effective care. Over the years, the programme and SK's focus area have expanded to cover primary healthcare, particularly non-communicable diseases.

A core responsibility of the shastho kormis is collecting household-level data along with service delivery. This data helps the Health programme identify which health services are needed most in each location. But this data collection was tedious. In each of the roughly 20 households SKs would visit, they would first note down patient details & services provided on their diaries and on a household health card. The card would remain with patients while they would take their diaries back to the office and copy its contents onto a register and a back-up register.

Thus, a large portion of the SK's time would be spent not empathising with the community, but rather doing admin work.

OLD PROCESS

SK's identify community members who require services

They note down details on a health card given to patients and their own diaries

After a full day of visits and service delivery, SK's return to office and copy the information from their diaries to two sets of registers

NEW PROCESS

SK's identify community members who require services

They note down details on a health card given to patients and their input the data on to their tabs

This was one of the problems that the programme was keen on solving, when they built the digitised data system titled mHealth, with the help of mPower Social Enterprises Ltd. The system was initially piloted in 5 branches in 2021, then 10, then 30, and then 300- eventually fully rolling out by 2023.

What Went Wrong

But reducing SK's administrative load was not the only goal of designing mHealth. We also wanted better, more usable data. Thus, as we designed, the data collection priorities started to pile on. Every team—operations, technical, research, etc—found data fields of their own that felt just as important to add. The operation team wanted to ensure we were maximising reach. The technical team raised that behind each service lies a set of steps which should be tracked to ensure the service was delivered correctly. On the other hand, the research team wanted to slowly build an accurate national-level

database that would give us a better understanding of what interventions should be designed in which part of the country.

This led to SKs collecting heaps of data on all members of the household—not just the recipient of services—ranging from health related issues to non-health related issues like assets and wealth levels. During each visit, the bulk of the SKs time now went into asking for this information and noting it in their tablet devices. The number of households that had to be visited each day hadn't changed, but covering all household members meant more time spent on data collection and less time on actual service delivery. The time saved in manual data collection had just been replaced by more digital data collection.
At one point, the system had grown to require the collection of more than 400 data points per visit. However, only around 15 of these could be regularly reviewed by the data quality team. This created a mismatch between the volume of data being collected and the organization's ability to use it. Beyond placing an unnecessary burden on frontline workers, the system also required time,

infrastructure, and human resources to store, manage, and monitor large amounts of data that were rarely used. Over time, SKs recognised that most data points received little scrutiny, leading many fields to be deprioritised and resulting in declining data quality. In effect, we were investing significant effort and resources in collecting data that generated limited value for decision-making.

What Happened Next

In November 2024, following a data quality assessment, major changes were made to the system. We scaled back, dropping from 400+ to 280 datapoints, collecting & monitoring that data more rigorously.

After the team reduced the number of data points, overall data quality scores increased from around 68% to nearly 79%. More data was being entered on the same day (rising from 53% to over 71%), entries were increasingly happening during actual working hours (from 44% to 83%), and delays in reporting dropped by more

than half. In many ways, the data began to better reflect the rhythm of real field work.

As the data burden was reduced, service delivery itself improved—in volume, quality, and the time between patient registration and delivery

Taken together, these findings forced us to confront a difficult truth: collecting more data had not given us better insight. In some cases, it had done the opposite.

And that is what led us to rethink how we design our systems.

Lessons Learned

We did not protect ourselves from scope-creep when rolling out our solution

Effective solutions require disciplined prioritisation. If we want to do everything, and we do so poorly, it may be much less effective than doing a few things well. We failed to manage our scope in this instance.

It was worse because both the responsibility of service delivery and data collection fell on the SKs. Not only did this negatively affect service quality and data quality alike, it also revealed a further shortcoming in our design: SKs were not the best suited to collect extensive data in the first place. These are individuals specialised in community relationships, rapid triaging and service delivery, not trained enumerators.

A final lesson we can take from this is to better understand our end implementers, because whatever solution we design will inadvertently fail if their capacities do not match.

We failed to align technology with organisational processes, people and workflows

Digital systems do not operate in isolation. Designing in complex development contexts often requires a blended approach, where technology, people, and organisational processes work together.

One example is this: if data collected by field staff is not meaningfully used at the head office level, field staff will adapt in kind. The value of bottom up capacity building is diminished when the results of that effort are neither visible nor acted upon. Technology alone cannot sustain good practices; the surrounding processes and incentives must reinforce them.

The adoption of the new system also needs a more focused look. As the solution was revisited, the operation team played a strong role in managing adoption, with an ardent focus in human-centered design, ensuring what we built would fit both frontline staff and the patients they serve.

What we learned overall was that anything that changes an entire team's way of work requires careful planning, dedicated support, and continuous attention to how users are responding to and utilising the system in practice.

How a “proven” model faltered and recovered:

Empowerment and Livelihoods for Adolescents (ELA)

Empowerment and Livelihoods for Adolescents (ELA) was a flagship programme run by BRAC International across five countries. Launched in Uganda in 2006, the programme’s mission was to socially and financially empower adolescent girls and young women (AGYW). Participants would gather in female-only safe spaces known as ‘ELA clubs’ and learn life and livelihood skills, including financial literacy, from a ‘near peer’ local mentor.

Following a randomised controlled trial (RCT) by independent researchers in 2008, which showcased village-wide and cost-effective impact, the programme scaled up. At its peak there were 1,800 ELA clubs reaching 80,000 people in Uganda, Tanzania, Sierra Leone, Liberia and South Sudan. At one point, small ELA pilots were even extended to Nepal and the Philippines.

However, around 2016, people on the program, research and leadership teams of BRAC International started to receive conflicting reports regarding the programme’s success.

A research exercise in 2019 produced eye-opening results: most ELA clubs were in fact “ghost clubs” with no active members. This was a huge blow for BRAC. Given the importance of the mission to empower girls and women, redesigning the program was a must.

In the following pages, you will learn about what went wrong and what lessons we have taken from the failure.

The Story

The Model

ELA's original design was based in part on a 1993 programme from Bangladesh, called the Adolescent Development Programme (ADP). At that time, adolescent girls in Bangladesh were dropping out of school at high rates and failing to develop literacy skills. BRAC designed an intervention where the girls would meet in kishori kendros (adolescent girl centres), which were safe spaces where they would socialise, learn literacy, and engage in sports.

When ELA was designed in Uganda, the team kept the 'youth club' structure, but extensively contextualised the programme to a context with a high number of young people, but limited opportunities and high rates of early marriage and child pregnancy. ELA clubs were meant to kickstart the process of young people taking control of their lives.

Under the model, BRAC would rent a space in each target area to set up an ELA club – a safe space for adolescent girls and young women to socialise and learn. They learned life, social and emotional skills, including information about their sexual and reproductive health. Additionally, they received livelihood training with a focus on financial literacy and technical skills. In some cases, older participants were supported to access microfinance loans to grow their own businesses.

Scale Up And Early Success

ELA's scale-up across Uganda, Tanzania, Sierra Leone and Liberia was based on independent academic researchers verifying the programme's early signals of success. From 2008 to 2012, researchers from the London School of Economics (LSE), University College London (UCL), and the World Bank tracked nearly 5,000 adolescent girls in a RCT. The findings revealed double-digit, village-wide impacts on girls in ELA villages across a wide variety of indicators, including a 48% rise in income generation and a 34% drop in teen pregnancy in villages with ELA clubs. This pertained to more than just the girls who were participants of the clubs: the impacts spilled over to other girls in the communities where ELA clubs were situated as well (Bandiera et al., 2020).

Even better were the cost effectiveness numbers. Researchers estimated that these village-wide impacts meant that ELA had cost USD 18 per adolescent girl, and had led to a USD 50 increase in annual earnings per adolescent girl. These were loose estimates, but signalled that the intervention could be game-changing at scale.

As the programme scaled, studies were conducted in other countries as well. Notably, a study in Tanzania from 2009 to 2011 painted a different picture: an increase in savings from those who received microfinance loans, but none of the other outcomes that showed up in Uganda. These changes were ultimately attributed to management challenges, an early signal that without the right supervision and monitoring systems in place, it would be hard to replicate ELA's success. Even so, similar studies in Sierra Leone and South Sudan showed a return to form.

In Sierra Leone, ELA was studied during the country's Ebola epidemic. With schools closed during this time, ELA acted as a stopgap, leading to communities with ELA having a 7.2% drop in teen out-of-wedlock pregnancies (compared to a 10.5% increase in teen pregnancies in other communities) and only an 8% drop in school enrollment after the pandemic (versus a 17% drop in other communities).

What Went Wrong

However, around 2016, about ten years into the programme's implementation, the management teams started to receive monitoring reports that should have set off alarm bells: when monitoring staff visited clubs, they often found only five to six participants. The programme team identified several issues. The programme had been designed with the intention of running club sessions five days a week, but meetings were not actually taking place that frequently. The programme was meant to target out-of-school girls. Instead, girls who were already enrolled in school were

receiving the intervention. The result was poor attendance and high rates of dropout.

Attendees who once had been enthusiastic were now bored with sitting through the same curriculum for years. There was also no variety: the same content, last refreshed in 2008, was in use for girls and young women ranging from 12 to 19 years old.

Negative reports kept coming, both from internal monitoring and, more anecdotally, from visits to the field. Recognising the need to have more solid data, BRAC research staff commissioned two rounds of an internal study in Uganda in 2019 (by this time, the programme in the other four countries had already shrunk due to a lack of donor funding). Research staff would visit a random sample of club locations on a completely unannounced basis. The sample and visit schedule was kept a secret: no one in the programme's chain of command knew which clubs would be visited or when the visits would happen.

The results from this study were shocking. In one random sample of 278 supposedly active clubs, mentors were absent in 35% of locations. Since clubs are facilitated by mentors, this meant that no club activity was actually taking place in these locations. In another 25% of locations, mentors were present, but no members were. Therefore, more than half of all clubs effectively did not exist.

Even the internal monitoring reports had understated the size of the problem. It was time to radically rebuild.

The Rebuild

ELA eventually recovered, but not before making many changes: convening meetings with parents and community members, a team of programme staff analysed emerging needs and refreshed the curriculum to align more closely with the times. Crucially, the revamped model introduced a time-bound cohort structure, through which participants follow a defined course and eventually ‘graduate’ from ELA. The model also features age-segregated curricula: one tailored for school-going girls

aged 10 to 14, with a focus on keeping them in school, and another for out-of-school young women aged 15 to 24, designed to connect them to livelihood support and foster their economic empowerment.

Beyond improvements to the curriculum, BRAC International also used its learnings to create a revised standard operational procedure (SOP). The new SOP, with contextual adaptations allowed for each country, established clear selection criteria for mentors, club spaces, community size and location. Consultations with AGYW and other community stakeholders informed a revised club schedule. The original five-day-a-week model was found to be too demanding for most participants. In-school girls recommended attending clubs twice a week to accommodate their school schedules, while out-of-school girls, many of whom run small businesses or are engaged in work, preferred to meet three days a week. Programme officers were asked to record the sessions at the club spaces conducted by the mentors, which the rest of the team would view, allowing them to understand what components to standardise, and what could be adapted. BRAC International set up a rigorous support supervision process , with each layer monitoring and supervising the other.

BRAC International ran small pilots with the changes from 2019 to 2021 in Tanzania, Sierra Leone and Liberia, making changes where necessary. While the original ELA model ran over several years, the revamped model adopted a two-year cohort structure, introducing a defined timeline and greater implementation rigour. With stronger monitoring built into the SOP, and a redesign based on community consultations, the next iteration of ELA was a more contextual, high quality and impact-driven model.

The model that was developed through these pilots is now a part of the Mastercard Foundation Accelerating Impact for Young Women (AIM) in partnership with BRAC programme, which packaged the model with additional services such as intensive livelihood support similar to BRAC’s Graduation approach. By 2033, AIM will equip 2 million adolescent girls and young women across seven African countries with age-appropriate entrepreneurship, employability, and life-skills training, as well as the tools to start and scale their own businesses.

OLD MODEL

Safe Spaces
(clubs)

lin the middle, connected
to the words

Community Mentors

Sessions 5 days
a week

Single curriculum
serving 19-12 year olds

Life skills and financial
literacy curriculum

NEW MODEL

Safe spaces
(clubs)

In the middle, connected
to the words

Community Mentors

Sessions 3-2
days a week

Ttiered curriculum serving
14-10 and 22-15 year olds

Life skills and financial
literacy curriculum

Rrobust feedback loops for monitoring
and supportive supervision

Lessons Learned

We misunderstood the full implications of the RCT data

The widespread public dissemination of the early RCT results convinced BRAC that the programme was having an impact. The lesson from the first RCT on ELA should have been, ‘The programme has a huge positive impact, under certain circumstances and when the right supervisory structures are in place.’ As an organisation, we did not understand the lesson properly. Instead, we understood the lesson to be, ‘This programme has a huge positive impact, period.’ We ignored the necessary caveats and rested on our laurels, confident the clubs were transforming girls’ lives and would continue to do so.

We did not contextualise or refresh the model after the initial pilot

ELA in Uganda from 2008 to 2015 worked remarkably well, in part because even though it was adopted from the 1993 Bangladeshi ADP programme, it was thoughtfully contextualised for the Ugandan setting. However, similar contextualisation was missing as the programme scaled. At the same time, as the programme ran, certain parts, like the curriculum, became outdated. This was especially important because many girls and young women stayed in the programme for years on end, repeating the same content.

We did not have adequately robust monitoring and internal controls

Routine internal monitoring reports were telling us that there were only five to six participants at each club. This should have been a red flag that led into investigations in programme quality and uptake much earlier. We failed to take action. In fact, the monitoring reports were failing to capture the true extent of programmatic failures.

This means there were weaknesses in both programmatic and monitoring systems.

Robust internal monitoring is especially important for a complex, multifaceted programme such as ELA, where supervision is far more likely to break down than in simple, standalone interventions.

When redesigning the model, the team implemented a much more robust tiered monitoring system. On top of this, the AIM programme as it exists today has built in dedicated time and processes to ensure the data coming from the field is as accurate, analysed, and understood well, through frequent ‘pause and reflect’ sessions and triangulation with ‘experiential learning’ (including observations from the frontline staff). Monitoring is not seen as policing, but rather as facilitating continuous learning and adaptation.

An innovative manufacturing solution that never took flight:

Distributed Manufacturing

The COVID-19 pandemic did not give the world time to prepare. Overnight, no matter where we lived, we were in crisis management mode. As the disease spread, global demand for personal protective equipment (PPE) skyrocketed. In places like Bangladesh, they needed it immediately—but the global supply chain was months away from delivering.

However, there is more than one way to manufacture. At the BRAC Social Innovation Lab (SIL), a few forward-thinking champions saw an alternative-digital fabrication. The lab mobilized funding to establish a distributed manufacturing network, utilizing a hub-and-spoke model of local Fab Labs and makerspaces. The goal was to build a decentralized infrastructure capable of serving the vulnerable communities long after the immediate crisis subsided.

Unfortunately, lofty ambitions often face challenges with aligning with ground realities. While the team produced over 3,300 items for more than 4,000 frontline workers in less than six months, a sustainable long-term model for this distributed manufacturing could not be set up.

Here's how that happened.

The Story

The Context

To understand this story, we need to learn how mass manufacturing works.

Traditional manufacturing uses industrial machines that can make many products from one or more materials. Factories buy machines based on what's profitable to build and sell. But machines are not enough; To shape a material into a specific product, factories first need moulds and tooling—parts built for one exact design. These are expensive to make. That's why factories produce huge quantities of a product: it spreads this cost across every unit, so it can be recovered through sales. This is what makes it "mass" manufacturing.

This is not only an expensive process, but also a time consuming one. In rapidly changing contexts like a brewing COVID-19 pandemic, this time is sometimes unaffordable. Suppose a factory makes the investment in making a specific type of face shield. Two days later, global health experts uncover a new piece of evidence that proves that design of face shields ineffective. The factory loses not only the cost of material on these produced units that they cannot sell, but also on the expensive moulds that are now useless to them. Moreover, they cannot just pivot to a new design right away: if the context or knowledge changes again in 2 days, they would face more unrecoverable loss. It is more economical to wait for certainty.

But each day of waiting exacerbates the shortage of protective equipment in the market. This has a real cost on lives.

TRADITIONAL MANUFACTURING

Purchase expensive machines

Analyse market trends and predict future demand to decide whether a product would be profitable to make

Build the required moulds and tooling

Mass produce

DIGITAL FABRICATION

Purchase fabrication machines

Create designs for products based on demand

Produce according demand (the only constraint is the time it takes to make each unit)

The Intervention

Digital fabrication avoids this problem. The “machine” is often a single 3D printer and computer numeric control (CNC) machine able to work with different designs. The “moulds” are all digital print files that cost only the human hours it takes to design. The process of production itself is slower, and can cost more per product as it lacks the economies of scale of mass manufacturing, but for an evolving crisis the adaptability is a bigger asset.

Bangladesh in 2021 when this project was being implemented had eight Fab Labs (short for Fabrication Laboratory). A fab lab is a small-scale workshop offering digital fabrication tools that allow people to “make almost anything”. Fab Labs are a part of an international network which follow a specific charter from MIT and are required to have a standardised set of machines. In addition, we also had more informal “makerspaces”, workshops with some fabrication tools.

SIL wanted to capitalize on this network in the context of the COVID-19 pandemic. Since we were facing shortages of PPE components like face shields and maskholders that essential workers needed, what if we were to create a network of fab labs and makerspaces that were able to respond to the demand? Each Fab Lab could be connected with local makers and makerspaces in a hub-and-spoke arrangement, where the former made the initial designs and the latter could execute to meet demand from NGOs, governmental entities and the private sector where appropriate.

The ambition from the team and the donor organisations it courted was that such a network would even without a crisis be a source of customised products that the aforementioned institutions often needed in small quantities, creating added value and gainful employment for many.

To test this, BRAC formed a partnership with the fab lab at the Sher-e-Bangla Agricultural University in Agargaon, Dhaka, and mapped out 94 and trained nearby local makers and makerspaces in the Dhaka city and Chittagong division including Cox’s Bazar. The idea was an early success: the makers delivered over 2,000 face shields and mask holders to the BRAC Humanitarian Crisis Management Programme (HCMP) and other NGOs working in Cox’s Bazar. One local makerspace even built a working prototype of an oxygen concentrator, which showcased great promise for the models. Prototypes met quality benchmarks and as we spoke with different BRAC programmes, we saw strong interest in locally made, customised products. In response, the product portfolio expanded from 8 to 20 unique designs. We had a proof of concept for the distributed manufacturing network.

What Went Wrong

So far, the production costs were covered with the grant money disbursed to the makers through the fab lab. But when trying to set up the full network with capacity to sell products to local NGOs and businesses, the team hit a wall. Large

organisations have rigorous procurement processes that necessitates a certain level of documentation. We knew for a fact that local makerspaces did not have the necessary documents- but fab labs did. Unfortunately, while the fab lab confirmed its capacity and interest to undertake this, it was later discovered that as its regular operation was funded by the University Grants Commission, it was legally barred from undertaking business transactions.

The Aftermath

There was a way to still make this happen- a separate legal entity could be created that would make the business transactions, with both the fabrication laboratories and makerspaces as partners.

But who would manage this entity? Did BRAC have the resources to do so? Would it be strategically sound? Deep into the project, these weren't questions we had answers to, nor did we have time to grapple with them or resources to expend.

Thus, our grand plan ended here- with just a proof of concept.

Lessons Learned

We moved without confirming ecosystem readiness or designing around ecosystem constraints

Fab labs all over the world function as commercial entities. That knowledge and the positive response we received from our fab lab partner about the idea made us jump in. We would have benefitted from some rigorous cross-checking of what was possible.

This highlights a common trap in innovation and development work: mistaking enthusiasm for evidence of readiness. The concept addressed a real problem, our partners were supportive, and the early signals were encouraging. These factors gave us confidence to move forward, but they also led us to underestimate the importance of rigorously testing the policy, market, and institutional conditions required for the model to succeed.

The lesson we have taken is to take an ecosystem first approach. Before investing in a solution, we must understand the conditions needed for it to succeed, including the policy environment, market demand, available financing, local capabilities, and stakeholder support. Only then can we design solutions that work in practice, not just on paper.

We were hasty and did not create a plan B

To be perfectly honest, running into a regulatory roadblock is not a new problem for any innovation team. In this case, we were so invested in our big vision that we overlooked a known risk area and moved forward without a credible alternative pathway. We assumed the original approach would work and did not spend enough time preparing for what we would do if it did not.

Our plan B could have taken several forms. We might have explored an intermediary to undertake business transactions, or worked with BRAC's procurement systems to identify a compliant way of purchasing from the network. Instead, when the regulatory barrier emerged, we found ourselves with limited options and little room to adapt. A reason we might have done this may be that we were dealing with a highly time-sensitive problem, and felt an urgency to step in to solve it immediately. As a result, much of the investment in time, effort, and learning could not be translated into impact. The lesson we consequently must take is to take a step back and evaluate—even in time-sensitive situations. Or we could end up wasting far more time and resources later.

Launched with great aspirations, but hardly produced any results:

The story of the Safe Water for All project

In July 2021, BRAC formed a consortium with Grundfos A/S and Hydro Industries in a project titled “Safe Water for All: A New Partnership for Growth”, supported by the Danida Market Development Partnerships (DMDP).

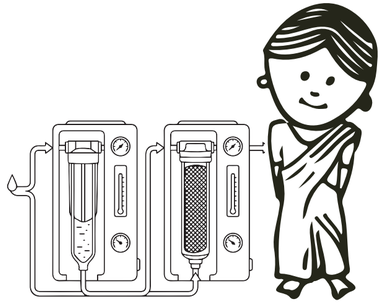
It was an ambitious project with three linked objectives: (a) to provide affordable, safe drinking water to communities in coastal Bangladesh; (b) to treat toxic industrial effluent discharged untreated by garment factories into rivers and waterways; and (c) to demonstrate a viable business case for the commercial partner’s technologies in the Bangladeshi market.

To achieve this the group would be building 9 Effluent Treatment Plants (ETP) across industrial areas and 21 Water Treatment Plants (WTP) in coastal areas in Bagerhat, Khulna and Satkhira, providing access to safe and affordable drinking water to 147,690 people. At the same time, 300 new or improved employment opportunities would be created, supporting recovery from the economic impacts of COVID-19 in Bangladesh.

However, as the project progressed, it became evident that the design had not fully considered critical geographical, regulatory & market realities for both WTP and ETP technologies including infrastructure readiness, the business behaviour and risk appetite of entrepreneurs, commercial viability, and the competitiveness of the proposed technologies in terms of cost and delivery time. In the end, the project was forced to close six months ahead of schedule in December 2024, having established no ETPs and only two WTPs both of which ended up in BRAC’s ownership.

We often talk about partial failures or failures that have been managed and recovered in our failure reports. Programme counterparts for this story very candidly told us that this was not one such story. This was a full fledged failure- one that left us with lots to learn.

The Story



The Context

People living in the southern coastal belt of Bangladesh do not look at drinkable water with the same lens as those living in the plainlands. Salinity has slowly crept into groundwater over decades, initially through natural processes, but then exacerbated by industrial pollution and practices like saltwater shrimp farming. Households walk long distances for non-drinking water and have to purchase drinkable water from local entrepreneurs who operate small water treatment plants (WTPs) that run on reverse osmosis (RO) technology.

Since its inception in 2006 to 2020, BRAC's WASH Programme has financed 300 of these water entrepreneurs with support from the BRAC's Microfinance Programme. But these were small scale businesses producing limited amounts of water. The safe water for all project wanted to go a step forward- greater scale, more advanced environmentally-friendly technology, and centralised systems providing water to a large catchment area. The model was also intended to demonstrate that the commercial partners' technologies could be viable in Bangladeshi market by creating demand for their solutions.

The design suggested that the admittedly more expensive WTPs would be cross-financed by industrial effluent treatment plants (ETPs) sold to RMG factories which would also solve an industrial pollution problem in its own right.

The consortium was seemingly suited for this task. Grundfos and Hydro Industries, both large water technology companies, would supply and service the effluent and water treatment technology. BRAC would provide deep local knowledge, community relationships, and an existing network of services, including financing through BRAC Bank.

Hydro would later withdraw from the consortium in 2022, due to shifts in their strategic priorities, but the partnership still had organisations from development, water technology and financing throughout.

The Intervention

After kickoff in July 2021, the consortium commissioned a needs assessment study for WTPs, and had meetings regarding ETPs with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA). Very soon, they discovered that the process of setting up an ETP was much lengthier and more complicated than that of setting up WTPs.

Shelving the cross-financing idea, the team went forward with consultations with local water entrepreneurs and individuals interested to be water entrepreneurs. 79 entrepreneurs were engaged in 2022, 11 received quotations and 2 actually placed orders and made down payments for Grundfos Intelligent Reverse Osmosis (iRO) machines — a type of WTP — under the possibility of financing from BRAC Bank. These machines differed from standard reverse osmosis machines in that they were more efficient and created less waste product. The waste product, a concentrated saline solution called brine, is one of the contributors to the rising salinity in the region. It appeared as if we were going to be able to help entrepreneurs serve more customers, while at the same time slowing down salination.

What Went Wrong

It was at this point that the cracks began to show. Firstly, it appeared that we did not understand the supply chain and process of importing machines like these. These led to delays, between which the exchange rates had shot the price up. Secondly, we had also not anticipated challenges regarding financing. We had not sufficiently tested the assumptions underpinning the financing model before moving into implementation, including whether entrepreneurs in the target areas would be able to meet the requirements for commercial financing.

Our first entrepreneur had to back out because unbeknownst to the consortium, they had selected a zone that was deemed high-risk by the bank, hampering his ability to obtain financing. This was discovered late into the process, when there was no option but to refund the owner. The second entrepreneur who placed an order faced a different problem. He would be getting the loan, but needed official certification to access the financing. After paying close to BDT 180,000, and not being able to obtain the certification even after months of review, he too cancelled the order.

Our entrepreneurs had placed the orders based on their trust in BRAC, before even seeing the machines up front. BRAC had now purchased both machines in place of the local entrepreneurs, as by the time these financing issues had shown up, the machines had arrived. With the machine on hand, the project team felt that demonstrations would help more entrepreneurs sign up. However, direct implementation diverged from the original DMDP objective of driving market adoption through commercial partners. Furthermore, operating within Danida's fund guidelines limited

how flexibly the funding could be repurposed.

These demonstrations, however, were not smooth sailing. The iRO plants required a three-phase power supply — which was hard to find in the remote rural areas that would need this technology the most. The process of setting up the machines was also complex and expensive; it required BDT 150,000 to 500,000, comprising connection fees, coordination with utility providers to check if the grid can take the additional load, equipment installation, wiring adjustments, and potential infrastructure upgrades to handle the higher power demands of three-phase systems.

When iRO plants were set up, challenges continued — local support for operation and maintenance was slim and required entrepreneurs to wait 1-3 days during which their business would be affected. iRO machines are also super sensitive to changes in water quality so entrepreneurs would also need to ensure they do not shift water sources without obtaining support with recalibrating the machine. In the three month demonstration, 174 new water entrepreneurs were engaged, three of whom obtained quotes for the WTPs, but none had placed an order by mid 2024.

By this time, developments external to the project had made things complicated. Between the needs assessment and mid-2024, 659 new 3,000 litre capacity rainwater harvesting systems had been installed in the target areas, providing 3,170 individuals access to safe water. This coupled with a new initiative from the Government of Bangladesh to install RO plants providing free water to locals made the iRO investment even more risky for water entrepreneurs. These interventions changed the local market conditions and reduced the space for a commercially viable model. The demand was gradually being filled, and the rainy season reduced the demand further between June and October — right after our demonstration.

The Aftermath

The two machines that BRAC had purchased were placed at the microfinance office at Bagerhat and BRAC's Learning Centre (BLC) in Rajshahi respectively. At Bagerhat, it supplied water to the office and through a local entrepreneur, to the community. At Rajshahi, the machine supplied water to the BLC compound.

The ETP arm of the project was not doing any better- the consortium had kept up the consultations and workshops, but operating ETPs made very little economic sense for those factories that did not have them already. Larger factories who could make that investment to target environment conscious buyers already had, while smaller factories could not make sense of the finances and were not sure that returns from environment conscious buyers would be enough.

All of this meant that it was time to pull the plug. In December 2024- with zero machines sold, the project was closed, 6 months ahead of schedule.

Lessons Learned

We chased funding unstrategically, by overpromising beyond capacity

BRAC's biggest strength has been that unlike a traditional external funding dependent organisation, its own enterprises contribute a significant amount of its annual development budget. Theoretically, this should have made us far more strategic in what funds we approach. In practice, this did not happen here.

BRAC's promise for this proposal included WTPs, ETPs, as well as job creation for COVID-19 recovery. At least two of these targets require very different kinds of programming. Worse still, establishing ETPs have not been in BRAC's repertoire until this point. This is not to say that BRAC shouldn't step into new areas of work, but to question if there was a strong strategic basis for the organisation to work on setting up ETPs at that juncture.

We ignored local knowledge and experience, leading with solutions built away from the field

That the local ecosystem was operating with cheap RO machines, when more expensive ones were available was a signal. The iRO machines considered for sale in this project were even more expensive. There were always indications that we were probably not paying enough attention to local knowledge.

Some of the problems were known to us. We knew from experience that these areas would have bad infrastructure, supply chains and roads frequently intersected by rivers. All of this would make the centralised system the project wanted to build with Grundfos iRO machines hard to operationalise — the entrepreneurs were operating in a decentralised way for a reason.

We failed to find a market fit for fairly strong technology

The iRO machines were clearly a definite improvement over the RO machines used in the area. Not only do they produce a lot more drinking water, they also produce less of the waste that exacerbates the crisis.

And yet, they failed in the face of inferior technology. They failed because the expense was too great and the financing opportunities too limited. They failed because the conditions that are needed for the advanced technology to operate were hard to maintain. Finally, they failed because perhaps the entrepreneurs were also not ready to undertake this larger risk with untested, undemonstrated and unknown technologies.

Recap:
Shohochor

We would like to end this year's failure report with our new section: the recap.

In our 2018 Failure Report, we wrote about "Shohochor", a prototype that SIL ran with BRAC's Transport department, which we were unable to scale at that time.

To recap, BRAC has a fleet of staff buses for employees' morning and evening commutes. When employees are on field visits or otherwise not going to the office, their respective bus seats remain empty. At the same time, employees not registered with buses might need to use office transport for specific days. Shohochor was designed to bridge this gap by allowing employees to buy and sell seats.

Our prototype consisted of a few team members taking calls, receiving and disbursing payments, and maintaining an excel sheet to facilitate the purchase and sale of tickets for unoccupied seats.

The prototype had gone well, but this was a time when many of our systems were paper-based. From registering for a bus route, to availing vehicles from BRAC's fleet for field visits: all applications had to be made on paper.

While this was manageable in a small pilot, scaling the model presented a different challenge. Seat availability changed constantly as staff plans shifted, requiring near real-time matching of buyers and sellers, payment verification, and route coordination. Managing these transactions through phone calls and Excel sheets across 44 routes, each carrying at least 20 passengers, would have placed a significant operational burden on the team. Without a digital platform to automate and

coordinate these interactions, the model was not feasible to scale. As a result, the initiative never progressed to full rollout and instead found its place in the 2018 Failure Report.

However, the transport department was about to solve the bigger problem. Some time after the Shohochor prototype had ended, the transport department started work on digitising the full transport requisition system.

By the end of 2019 BRAC's transport department had launched their digital platform for transport requisitions and pick and drop services.
A few years later, the department revisited Shohochor with a pilot that ran from June to September of 2023, leading to an October 2023 launch.

The service is now up and running, with an average of 700 seats exchanging hands per month.

Shohochor was a failure in 2018 because the technology it needed to operate it at scale wasn't yet available within the department. However, by the time the necessary systems were in place, setting up the platform became relatively straightforward.

We've started this section to highlight a few things. These are:

- Failure does not necessarily mean that the idea is wrong; it may simply mean that the surrounding ecosystem is not ready yet.
- Failure does not mean that the journey ends: even if not immediately, we can always revisit and solve the issues that led to the failure.
- Failure can reveal deeper system constraints that might otherwise remain invisible. In attempting to solve one problem, we often uncover broader changes that are needed to make lasting solutions possible.

With that ending note, we bring this edition of the failure report to a close.

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