



**Evaluation of the Canada
Accelerator and Incubator Program
(CAIP)**

SUMMARY REPORT

Circum Network Inc. for the National Research Council Canada

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Overall Findings

The evaluation found CAIP to be relevant to the NRC and federal government mandates. It is complementary to other innovation support initiatives although potential for overlap is present. However, the limited empirical evidence on the quantitative impact of A/Is on individual firms and on the innovation ecosystem more broadly is not conclusive.

The central program delivery issue identified in the report is the balance between maintaining various oversight controls with reduced administrative burden requested by recipients. While recipients express the desire for fewer 'strings attached', program representatives point to the need for oversight given that the average CAIP contribution is approximately \$6 million. The evaluation finds that a rebalancing in favor of less stringent claims processing could yield a net benefit without undue risk. It is also evident that NRC-IRAP required a longer than anticipated timeframe to adapt its systems and processes to the needs of CAIP. This is due largely to key differences in the delivery structure of regular NRC-IRAP programs compared to CAIP. Evidence shows that NRC-IRAP has demonstrated adaptability and improvements to delivery systems continue to be made.

Finally, the evaluation shows that NRC-IRAP was late in collecting performance measurement (PM) data for year-one. Further, once collection was implemented, data provided by recipients was incomplete. The PM outlook for year two is concerning given this reluctance of recipients to share information. NRC-IRAP should ensure that the recipients provide all the data necessary for the mandatory impact evaluation.

Recommendation 1

Working with other federal departments and agencies to optimize CAIP's contribution to Canada's re-defined innovation strategy, in future program design NRC-IRAP should analyze and act on opportunities for complementarity within the overall suite of federal support to SME development as well as on any costs of existing or potential overlap.

Management Response

Recommendation accepted.
 NRC-IRAP will leverage its participation in the development of a new Federal Innovation Strategy, to seek opportunities for complementarities and identify potential overlap.
 NRC-IRAP will leverage its participation in various Federal government initiatives (e.g. AGS) to identify opportunities where future program design or service can benefit from NRC-IRAP's learning through CAIP delivery.

Recommendation 2

NRC-IRAP should further examine best practices for contributions programs to rebalance the level of financial controls employed in claims administration.

Management Response

Recommendation accepted.
 Following recent efforts to streamline CAIP admin processes (e.g. claiming), NRC-IRAP will further examine how other departments are addressing similar accountability challenges related to managing claims.
 NRC-IRAP will further refine its risk management practices to reduce the administrative burden related to claims for CAIP recipients.

Recommendation 3	Management Response
NRC-IRAP should explore ways to facilitate structured learning within CAIP agreements and to further support the timely sharing of best practices among recipients and with NRC-IRAP.	Recommendation accepted. NRC-IRAP will build on the CAIP ITA working group to foster exchange of best practices between CAIP recipients. NRC-IRAP will seek the interest and involvement of CAIP recipients to organize a forum where participants can discuss challenges and opportunities, share best practices and identify of potential actions to strengthen their operations and service offering to SMEs.
Recommendation 4	Management Response
NRC-IRAP should take all necessary steps to ensure that the performance indicators stipulated in its Performance Measurement Strategy have been collected from all recipients for all program years.	Recommendation accepted. Following the initial 2014-15 year of CAIP, NRC-IRAP will ensure going forward that all recipients adhere to Annual Performance Reporting obligations. This will include re-iterating and explaining the requirements to recipients, and well as enforcement of contractual obligations.
Recommendation 5	Management Response
The NRC Office of Audit and Evaluation, in collaboration with NRC-IRAP and CAIP recipients, should immediately plan the details of the impact evaluation to be conducted in the last year of the program.	Recommendation accepted. NRC-IRAP will collaborate with the Office of Audit and Evaluation to develop a detailed plan of how impact of the program will be measured in future CAIP Evaluation. NRC-IRAP will revisit its current performance measurement strategy to ensure alignment with detailed plan.