



## SUMMARY OF THE EVALUATION OF THE AUTOMOTIVE INNOVATION FUND (AIF) MARCH 2018

### ABOUT THE EVALUATION

- The evaluation assessed the relevance and performance of the AIF, with a particular focus on the extent to which the AIF contributed to its expected longer-term outcomes.
- It covered the period from July 2008 to March 2017.

### WHAT THE EVALUATION FOUND

- The automotive industry is a key manufacturing sector in Canada. There is a need for a program to build R&D capacity and continue to support a strong automotive sector.
- The AIF helped to secure R&D investments that contributed to the development, production and commercialization of innovative products and to production efficiency gains.
- The program enhanced collaborations between manufacturers, major suppliers, and research institutions.
- By attracting and retaining investment, the AIF helped to strengthen the competitiveness of the industry. It assisted in securing the auto footprint, retaining product mandates, and retaining and creating jobs.
- Available evidence suggests that the AIF made a modest contribution to environmental benefits by supporting technologies to improve fuel efficiency and reduce the environmental impact of vehicle manufacturing.

#### PROGRAM DESCRIPTION

- *Launched in 2008, the AIF funded large-scale research and development (R&D) and manufacturing projects of \$75 million or more that involved advanced, innovative, and/or clean technologies in the automotive sector. In 2017, AIF funding was consolidated into the Strategic Innovation Fund.*
- *The AIF contributed to ten projects from 2008 to 2017 with five companies (Ford, Honda, Linamar, Magna, Toyota), with total committed funding of \$569.8 million.*

### LESSONS LEARNED

The following lessons learned were developed to inform the design and delivery of grant and contribution programs providing support to key sectors of the Canadian economy, including the Strategic Innovation Fund.

**1. Flexible and Responsive Programming** - Industry support programs that are flexible and responsive have a greater chance of achieving their intended outcomes. For the AIF, flexible terms and conditions allowed programming to be adapted to each company's particular needs. Changes to the funding mechanism, for example from repayable to non-repayable contributions, also allowed the AIF to respond to changing conditions in the industry.

**2. Performance Measurement and Reporting** - Performance measurement to inform medium- and longer-term outcomes needs to be planned from the inception of a program and data should be collected on an ongoing basis to ensure performance and impact can be fully assessed. Programs need to identify common indicators and clear definitions across projects and ensure participating firms provide the required information as part of their agreements for government support.