

Summary of the Evaluation of the Strategic Innovation Fund (SIF)

Audit and Evaluation Branch Senior Management Committee – April 2021

Background

The SIF was created in 2017 and supports large-scale, transformative and collaborative projects that help position Canada to prosper in the global knowledge-based economy. The SIF consolidated four legacy ISED programs and covers all sectors of the economy. It is available to for-profit and not-for-profit organizations with the goal of supporting the Canadian innovation ecosystem. The SIF is delivered under five streams, with streams 1-3 focusing on business innovation and growth, and streams 4-5 focusing on collaborations and networks.

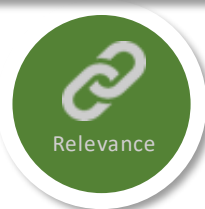
Evaluation Approach, Scope, and Objectives

The objectives of this evaluation were to assess the relevance, performance and efficiency of the program, which included issues identified by SIF management. The evaluation was conducted in accordance with the Treasury Board *Policy on Results* and *Directive on Results* and covered the period of April 1, 2017, to March 31, 2020. The evaluation focused on streams 1 to 3 of the SIF, as the projects in streams 4 and 5 were newer streams, thereby limiting the ability to assess these related outcomes. For streams 1 to 3, the evaluation assessed the immediate outcomes and, to the extent possible, the preliminary results pertaining to the intermediate outcomes.

Lines of evidence included:

- Environmental Scan
- Document and Data Review
- Case Studies
- Interviews
- Survey

Results at a Glance



Relevance

There is a continued need to support innovation and growth among Canadian industry through the provision of direct funding of R&D, commercialization, and capital investments. The SIF contributed to addressing the needs of industry sectors and made a contribution towards addressing the needs of underrepresented groups. While the SIF generated substantial interest among targeted groups, the levels of support provided by the program were more heavily concentrated in some sectors and regions, but generally corresponded to business expenditures on R&D in the regions. However, the needs were not entirely met for some sectors and smaller scale projects.



Performance

The SIF influenced the scope, scale and timing of business investment decisions, effectively leveraged private investment, attracted foreign direct investment and helped support the growth of domestic SMEs. Increased investments in R&D and industrial facility expansion and improvement were supported, while the commercialization of most of those R&D investments are expected to occur at a later stage. The SIF increased the technological capacity of recipients and collaborators via increased capital investments and increased investments in highly skilled personnel, training, and employee skills development. The SIF also contributed to increased collaboration amongst recipients, particularly with universities, as some of these collaborations may not have otherwise occurred. While most projects are still ongoing, recipients reported that they advanced the development of their technologies, and in some case new or improved processes, products, and services were developed and intellectual property protection was sought.



Design and Delivery

Public announcements effectively elicited applications from industry, with targeted outreach and engagement used to solicit applications for sector targeted funding and complex project streams. However, some sectors and regions may benefit from additional outreach and engagement. Most recipients were satisfied with the guidance, tools and support they received from the SIF program. While the project terms and conditions generally align with the needs and capabilities of most recipients, some sectors experienced less flexibility due to the SIF's emphasis on job creation and disruptive innovation. The project intake and selection was effective in filtering projects using a two-step process, but some challenges in prioritizing the selection of projects were identified with the continuous intake process. As a targeted intake process, the steel and aluminum stream met industry needs but a compressed funding profile and timelines led to implementation challenges for recipients and program officials. The application and approval processes are perceived as lengthy and complex, although this has improved over time, in part due to changes in eligibility requirements. While project claims and reporting processes were viewed as relatively less burdensome, the project amendment process was seen as lengthy and complex, in part due to an absence of internal guidance documents.



Efficiency

The program is operating efficiently from an administrative cost standpoint and it has executed 50% more agreements per year than the legacy programs using only 25% more resources to do so.

Recommendations

1. ISED Innovation Canada should consult with key federal partners to help inform efforts to provide a full continuum of business innovation support for firms with viable smaller-scale projects.
2. ISED Innovation Canada should explore approaches to tailor project assessment criteria to better meet the needs of targeted sectors and regions, such as assessment criteria that take sector characteristics into consideration (e.g. innovation and job creation capabilities), conduct targeted outreach and engagement, and provide sector-specific guidance.
3. ISED Innovation Canada should examine opportunities to streamline program application, review and amendment processes, including improved triaging of the statement of interest applications and earlier communication with applicants, as well as the incorporation of additional service standards.