



# AUTOMOTIVE SUPPLIER INNOVATION PROGRAM

PROGRAM DETAILS AND CRITERIA

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Canada's automotive suppliers are essential to the success of the Canadian economy. As new manufacturers look to meet regulatory and consumer demands for fuel efficiency and vehicles with sophisticated technology, new opportunities are arising for suppliers that can compete to satisfy these demands. In order to create new jobs and stay competitive, companies must continue to develop cutting-edge products.

The Government of Canada will support automotive suppliers in developing ground-breaking, advanced products and processes. This support is essential to helping small and medium-sized businesses bring transformative ideas in their early stages to the marketplace. The Program will support activities such as prototype development, process engineering, and product testing.

## What is the Automotive Supplier Innovation Program?

The *Automotive Supplier Innovation Program (ASIP)* is a **five year, \$100 million** program that provides **non-repayable contributions** to support technology demonstration and prototyping activities of Canadian-based suppliers developing innovative products and/or processes in the automotive sector.

## Who is eligible to apply?

Eligible recipients must be for-profit companies incorporated pursuant to the laws of Canada, carrying on business in Canada. The program funds innovative product or process development activities at the demonstration and/or prototyping stage targeted at the automotive sector in Canada. Priority for funding is given to small and medium-size enterprises (firms with either fewer than 500 employees globally OR global revenues of less than \$1 billion). Larger firms are eligible, but must partner with at least one Canadian-based small and medium-sized enterprise. Each company is eligible to receive up to \$10 million over the term of the Program. The Program will fund up to 50 percent of the total eligible costs of a project.

## What is an eligible project?

ASIP's objectives are to contribute to automotive technology development and demonstration in Canada, foster the competitiveness of the Canadian automotive supply chain, encourage high-value, innovative development activities in the middle phases of the technology development continuum (technological readiness levels 4 through 7) which will position Canadian automotive suppliers, particularly small and medium-sized enterprises (SMEs), to develop the products of tomorrow, maintain high-skilled jobs, and support the Government's environmental, and science and technology agendas.

This Program is designed to support projects in the middle stages of innovation between early-stage basic research and pre-commercial development. Eligible activities will include prototype development, product and process engineering, and pre-commercial product and process testing and validation, for projects that would not proceed without federal funding.

Applicants and projects must first meet the objectives of the Program. Assuming that they do, eligible projects could include innovative product and/or process development activities in the middle stages of the innovative spectrum (defined as Technology Readiness Levels (TRL) 4 through 7). See [Annex 1](#) for an explanation of the Technology Readiness Levels. Eligible project costs include direct labour, materials, equipment, overhead, and other costs directly related to the project. ASIP may cover up to half (50%) of the eligible project costs. Recipients will be expected to match ASIP's contribution through their own sources of funding.

## What are the application and approval processes?

To be considered applicants must submit a project proposal with supporting documentation that demonstrates how the company and the project meet the eligibility and assessment criteria.

The ASIP [Applicant Proposal Guide](#) can be found at [www.Canada.ca/Automotive-Supplier-Innovation-Program](http://www.Canada.ca/Automotive-Supplier-Innovation-Program) for more information on assessment criteria and how to apply.

Proposals can be submitted at any time. Applicants are invited to contact Industry Canada where ASIP staff is available to provide advice with preparing project proposals.

Eligible projects considered for funding under the Program will be subject to a due diligence process that will examine the feasibility of the proposed project and the eligible recipient's ability to deliver on the proposed benefits. Due diligence will be conducted by Industry Canada with support from experts within other government organizations, and external experts. Program funding is subject to the approval of the Minister of Industry Canada. Upon the Minister's approval, a contribution agreement will be signed between Industry Canada and the applicant. The Program is designed to provide quick decisions, and is intended to provide funding decisions within 6 – 8 weeks from the date of a complete application.

## What are the evaluation criteria?

Proposals will be assessed against the objectives of the Program. Please explain the applicability of your Project to the following criteria:

### **i) Innovation:**

- Originality of the proposed project and positioning with respect to industry technology directions;
- Evidence that the project falls within the appropriate stage of technology readiness (TRL level 4-7);
- Degree of alignment with demonstrated clusters of associated expertise; areas of Canadian R&D strength;
- Opportunities for collaboration in the supply chain or with Canadian universities and/or research institutions.

### **ii) Market Relevance:**

- Degree to which the project is well aligned with the projected needs of the industry;



- Evidence that the technology, or its application, is likely to provide products and/or processes that are new (or substantially enhanced) to the industry;
- Credibility of the product or process development plan leading to eventual commercialization.

**iii) Economic Benefits:**

- Evidence that the project would not proceed without federal funding;
- Potential for the proposed technology to create economic advantages for Canada (e.g. jobs, skills, R&D);
- Potential for the project to provide opportunities for spillover benefits, such as increased R&D investment within Canada's automotive supply sector;
- Potential for the innovation to provide opportunities for suppliers to enhance their integration into global supply chains;
- Potential for the new technology to be used/manufactured in Canada.

**iv) Environmental Benefits:**

- Expected environmental advantages/benefits.

**v) Science and Technology Benefits:**

- The degree of which the project is aligned with Canada's *Science and Technology Strategy* (creating entrepreneurial, knowledge and people advantages/benefits for Canada).  
<http://www.ic.gc.ca/eic/site/icgc.nsf/eng/00871.html>

**vi) Capability of Applicant/Recipient to achieve stated objectives:**

- Financial resources, management expertise and technical team's experience and expertise to conduct activities.

\*May include other criteria that the Minister deems relevant for consideration of a proposal.

## What are the reporting requirements during and after the project?

Payments will be provided against project claims (receipts). Recipients will be required to submit project reports to the Minister with their project claims. After projects are completed, recipients will be required to provide final reports on the overall project(s) objectives and results, as well as post-project reporting in subsequent years to demonstrate the longer-term benefits realized since the completion of the project(s).

For information on how to apply, please visit

<http://www.Canada.ca/Automotive-Supplier-Innovation-Program>

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## Annex 1 - Technology Readiness Level (TRL) Scale

Technology Readiness Level	Description
<b>TRL 1 - Basic principles observed and reported</b>	Lowest level of technology readiness. Scientific research begins to be translated into applied research and development (R&D). Examples might include paper studies of a technology's basic properties.
<b>TRL 2 - Technology concept and/or application formulated</b>	Invention begins. Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed analysis to support the assumptions.
<b>TRL 3 - Analytical and experimental critical function and/or characteristic proof of concept</b>	Active R&D is initiated. This includes analytical studies and laboratory studies to physically validate the analytical predictions of separate elements of the technology.
<b>TRL 4 - Product and/or process validation in laboratory environment</b>	Basic technological products and/or processes are tested to establish that they will work.
<b>TRL 5 - Product and/or process validation in relevant environment</b>	Reliability of product and/or process innovation increases significantly. The basic products and/or processes are integrated so they can be tested in a simulated environment.
<b>TRL 6 - Product and/or process prototype demonstration in a relevant environment</b>	Prototypes are tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness. Examples include testing a prototype in a simulated operational environment.
<b>TRL 7 - Product and/or process prototype demonstration in an operational environment</b>	Prototype near or at planned operational system and requires demonstration of an actual prototype in an operational environment (e.g. in a vehicle).
<b>TRL 8 - Actual product and/or process completed and qualified through test and demonstration</b>	Innovation has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of true system development.
<b>TRL 9 - Actual product and/or process proven successful.</b>	Actual application of the product and/or process innovation in its final form or function.