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Program Summary: Automotive Innovation Fund

Canada: Industry Canada

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Automotive Innovation Fund — Program Summary

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A new Automotive Innovation Fund (AIF) has been established that will provide automotive firms \$250 million over five years to support strategic, large-scale research and development (R&D) projects to build innovative, greener, more fuel-efficient vehicles.

The AIF will support Canada's environmental agenda in advancing Canadian capabilities in fuel-efficient automotive technologies and greenhouse gas reduction. The Fund demonstrates the government's commitment to implementing Canada's Science and Technology (S&T) Strategy in an automotive context. The AIF also provides an important complement to the Government's agenda to support industry competitiveness, outlined in a plan called *Advantage Canada: Building a Strong Economy for Canadians*.

Under the AIF, Industry Canada will consider funding proposals that provide for private sector investment in Canada of more than \$75 million over five years. Eligible projects will include vehicle and powertrain assembly operations associated with significant automotive innovation and R&D initiatives. Other large-scale automotive innovation and R&D initiatives will also be considered, provided they meet the \$75 million threshold.

Proposals will be assessed based on their contribution to:

- automotive R&D capacity and knowledge-based jobs in Canada;
- the government's S&T Strategy and environmental agenda;
- the development of innovative, fuel-efficient technologies or processes;
- the long-term economic benefit to Canada, including significant job creation/retention; and
- their potential to attract further investments to foster Canadian competitiveness.

Support under the AIF will be provided for major automotive innovation and R&D initiatives to develop and build greener, more fuel-efficient vehicles, inclusive of:

- new product development (e.g., advanced emissions technologies, energy-efficient engines and transmissions, advanced materials, including engineered plastics, and lightweight components and materials);
- leading-edge engineering and design, and prototype development;
- advanced product testing that ensures cleaner, more efficient automotive performance, and reduces greenhouse gases;
- the development of new production methods and process technologies, including advanced flexible manufacturing techniques;

- new or expanded facilities to produce leading-edge and more energy efficient vehicles and powertrains;
- substantive investments in new flexible manufacturing processes; and
- introduction of other new transformative production technologies to substantially increase productivity and efficiency (e.g., robotics and advanced IT systems).

Individual proposals will be evaluated in consideration of the strength of the business case, including with respect to R&D and innovation, environmental and economic benefits.

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