

PIERRE ELLIOTT TRUDEAU FOUNDATION

**BUILDING THE LEGACY
STRATEGIC RECOMMENDATIONS**

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Foreword

This document provides a starting point for the Trudeau Foundation's second strategic plan, which will cover the years 2008-2012. It makes recommendations, based on suggestions and observations made during consultations with our community and partners to discuss the Foundation's mission, programs and activities. We also drew on the evaluation undertaken in 2005 by Phillip Rawkins, which sheds some very useful light on the development of our programs. Finally, it is important to note that the Foundation staff also participated in a self-reflection process, along with several of our closest contributors: Frederick Lowy, Roderick Macdonald, Daniel Weinstock, Arthur Hanson, Jennifer Welsh and Jean Turcotte. We owe them our gratitude.

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1. Introduction: Seven Generations

"In every deliberation we must consider the impact on the seventh generation... even if it requires having skin as thick as the bark of a pine."

Great Law of the Iroquois

The Trudeau Foundation's first strategic plan contemplated the creation of an organization unique in the Canadian landscape. From the outset, the Foundation has aspired to a boldness of ambition and vision worthy of its namesake – to foster a supportive environment for generation upon generation of exceptional scholars, equipping them with the time, skills and connections to pursue relevant answers to the age-old questions confronted by each new era: What is right? What is just? What is in the interest of the public good?

Five years later, the Foundation is a recognized and respected part of the Canadian education and research landscape. With the support of the Board of Directors, a small team of devoted professionals has succeeded in establishing a robust foundation, a legacy for future generations. Selected Fellows, Mentors and Scholars have earned the Foundation the respect of our principal partners, particularly universities and research institutions. The "Trudeau Foundation community" – comprised of individuals who have directly benefited from their association with the Foundation - now numbers more than 200 strong, and is growing every year.

Most importantly, the Foundation's influence is starting to be felt in major public debates. It is making a difference contemplated by the founders, in the dialogue among scholars and policymakers in the arts community, business, government, the professions, and the voluntary sector.

Throughout history, relatively small interventions in the right place at the right time have yielded long-lasting and powerful far-ranging effects, fully appreciated and understood only with the benefit of hindsight. If resources are directed strategically, the next phase of the Foundation's evolution has the potential to extend its influence exponentially.

Three Strategic Areas

As those charged with the privilege and responsibility for realizing the mandate of the Foundation, we must consider three strategic areas:

Funding Agreement. Our unique ability to nurture and support emerging scholars in areas of interest to the Foundation is directly related to our financial resources, which for the most part, are dictated by the rate of return we achieve on the investment of our primary endowment. The funding agreement signed in 2002 with the Government of

Canada has served us well so far, but without extensive changes, it will be difficult to continue along our current path and even more difficult to expand our activities. The Board of Directors has agreed that the investment policy included in the agreement must be amended to protect the endowment, enhance our programs and expand our effectiveness.

The Foundation has the advantage of a highly skilled, experienced and sophisticated Board to provide oversight for its investment activities. The benefits of a new agreement with increased investment flexibility are great. For example, for each **half a percentage point** we obtain over our current average return of 5%, the money available to distribute on Programs and Program Delivery will increase by **15%** over current levels. In practical terms, this could increase the number of scholarships we fund every year from 15 to 25 each year. How can we best achieve our goals of safeguarding our capital against the effects of inflation, avoiding unreasonable risks, and maximizing the return on the investment of our capital? What strategies are available to us to raise our real rate of return? These important questions will become even more crucial in 2009, when the Board needs to consider difficult trade-offs between spending on programs and preservation of the fund's value.

The Foundation Programs. Second, our programs themselves also require some adjustment, in light of results achieved and changes in our environment. We have established our reputation by building bridges among disciplines, institutions, generations, and regions of the country, in order to promote the ideas arising from the best research and informed debates. Often, the practice of the social sciences and humanities evolves in less predictable ways than other research endeavors. This is especially true when knowledge transfer among previously disparate disciplines is accelerated. We played and must continue to play a unique role in finding practical applications for the discoveries, innovations and ideas generated through the work of granting agencies, universities and other players from the social research world.

Moreover, the Foundation remains dependent on the good will and generosity of hundreds of professionals who contribute to the operation of our programs: nominators, evaluators, speakers, advisors and directors. We are deeply indebted, and can only hope to repay them by producing tangible results, either through the support provided to young researchers in training or through the Trudeau community's commitment to address the crucial problems of our society. How can we generate enthusiasm and strengthen collaborative relationships among existing and new partners for our agenda and activities?

Public Engagement. And third, the Trudeau Foundation has been the source of innovations that elicit public responses ranging from apathy to curiosity to admiration. We have only just begun to foster the emergence of a better-informed public, vitally engaged in rich civic debate about social choices and their consequences. Our commitment to civic engagement across generations can only be realized through effective communication of ideas within 'the commons': this is our challenge.

A Vision of Canada

The discussion that follows is meant to help frame and provoke a focussed discussion among the current executive and Members of the Board as, for a time, we are the ones honoured to take this vision forward and ensure its effective implementation.

Our principal strategic priority should be negotiating a new agreement with the federal government, because it is a key to building a successful future. The Board will be invited to name a special committee to pursue this goal in the coming months.

The Board is also asked to consider several programming initiatives that can be implemented to our advantage relatively quickly. To avoid repetition, these are set out as they arise in the text, but they are also presented together in appendix A at the end of the document.

We share a vision of Canada as a leader in the world, with our public and private sectors, professional and volunteer sectors collaborating to pursue answers to the questions of what is right, what is just, what is in the interest of the public good. As a Foundation, we are in the unique position of having the honour of helping to make that vision a reality.

The Pierre Elliott Trudeau Foundation was created to last. Like other institutions created to perpetuate the memory and ideals of great figures in the world of politics, science or the arts, our horizon extends over several decades. One day soon, our Scholars will no doubt be candidates for Trudeau Fellowships or will become, in turn, the Mentors of a whole new generation of daring and brilliant students.

2 The Trudeau Foundation: A Unique Mission

In October 2002, the first strategic plan recognized and confirmed the essential role that leading-edge social science and humanities research could play in the resolution of major problems facing Canada and the world. The founders directed the Foundation to assist people who are advancing our collective understanding of pressing social issues, either through support for their research efforts or by dissemination of their ideas. The Trudeau Foundation is not an elitist organization, nor is it an “ivory tower”: the community crosses the boundaries of geography and disciplines, and exemplifies the virtues of public engagement. It deliberately – and uniquely – chooses to support people who have shown, by virtue of talent and merit, that they are able to propose answers to the big questions of the day or perhaps ask new ones.

This trust in individuals and their capacity to create and communicate sets the Foundation apart from other organizations that are interested in social research applications but that largely support research projects or initiatives rather than individuals.

The founders also wanted the individuals supported by the Foundation to form a “community” and join in a dialogue that goes beyond institutional and disciplinary boundaries. Unlike a policy group or “think tank”, the Foundation’s influence on matters of public interest is not exerted directly. Rather it supports discussion and debate, new levels of civic engagement, within a network comprised of people from different generations, different sectors of society and different regions of the country.

Accomplishments

Since its creation, the Foundation has distributed more than \$13 million. Direct transfers to individuals account for nearly \$10.6 million.

The Foundation has granted 69 doctoral scholarships, recognized the research or creative work of 24 Fellows, and convinced 29 eminent Canadians to become Mentors for our Scholars. Every year, each of these competitions has elicited great interest from our university partners and from groups and organizations involved in public policy research. The very high quality of the nominees also demonstrates that the Foundation’s programs quickly took their place among the most coveted awards in the country, a clear indication of the pertinence of our approach.

The Foundation has also dedicated considerable financial resources – nearly \$3 million – to fostering a community of engaged citizens. The Public Interaction Program (PIP) continues to create an opportunity for the dissemination of ideas and highlight the work of our members. The annual Trudeau Conferences have become highlights in the intellectual life of the country.

External evaluation: Solid Groundwork

In 2005, Phillip Rawkins, of Rawkins International Associates, undertook an independent evaluation of the Foundation’s programs. His glowing report described the Foundation’s successes in developing its programs. Rawkins strongly encouraged the staff and board to build on the solid groundwork laid down when the organization was created, to shift the organization into its next phase of development. Most of Rawkins’ recommendations concerning program processes were implemented immediately after his report was submitted.

Funding Agreement

The Trudeau Foundation would not be able to play its essential role without the support of the Government of Canada. This support is expressed by the presence of members of the Board, appointed by the Minister of Industry, and regular cordial discussions with our

colleagues at Industry Canada. The most tangible manifestation of our partnership lies in the funding agreement we concluded in 2002, which gave the Foundation a permanent endowment of \$125 million.

To make the most of our growing community, peopled by the best minds in the country, it is essential that the Foundation remain a centre for innovation. Programs have developed, lessons have been learned, the reputation of the organization is growing, and a clear opportunity for greater impact is before us. To achieve this, the Foundation needs increased resources which can easily be obtained through an investment policy better suited to the current economic environment. Amending this funding agreement is now a crucial priority for the Foundation. Otherwise, within a few years the relative value of the fund will no longer allow us to meet all our obligations. A detailed proposal is presented in Appendix B.

Recommendation: That the Board of Directors establish a special committee to negotiate with the Government of Canada to amend the funding agreement. The main agreement with the Government of Canada should relate to investment, funding and the program management framework. The committee may also consider other amendments to the funding agreement, in particular with regard to governance and accountability.

Both from a purely administrative point of view and for financial reasons, it would be expedient for the agreement to reflect the new conditions we are facing, drawing on the lessons learned over these first five years. The president will prepare a set of negotiation guidelines to support the committee's efforts, based on the Board's decisions in relation to the suggested strategic recommendations.

In addition, the Foundation must start to look for other sources of funding. Three possibilities merit the Board's consideration:

- Private sector sponsorship of specific activities and programs, such as the Trudeau Lectures or the annual Trudeau Policy Conference. The same principle could be extended to the creation of new Scholarships or publication and dissemination activities.
- Major private or corporate contributions to increase the endowment fund, raised through a solicitation and funding campaign.
- Funding through public grants or subsidies, such as a subsidy to extend the Scholarship program or to support networks on a given theme.

Recommendation: That the Board mandates a committee to explore alternate sources of funding and support the Foundation's efforts in this regard.

3 Programs – Some Essential Issues

For the most part, the Foundation's activities revolve around four main programs: Scholarships, Fellowships, Mentorships and the Public Interaction Program. After five years, it is appropriate for current staff and members of the Board to consider whether we are achieving the goals we established at the beginning or whether we have opportunities to invest our resources differently.

Scholars

The Foundation's Scholarship program is a resounding success. Every year, more than 130 applications from Canadian and foreign universities are subjected to the rigorous evaluation process that leads, each May, to the selection of some 15 new Trudeau Scholars.

Our scholarships are among the most generous in the country, not only because of the \$35,000 annual payment, which is comparable to the elite programs at major national research councils, but also because of a number of additional innovations. Our Scholars receive a travel and research allowance of \$15,000 a year, which allows them to pursue projects outside of the ordinary boundaries of their discipline. We assign a Mentor to each Scholar, to foster practical direct contact with the world and encourage the Scholar's early integration into public policy networks. Finally, like all other members of the Trudeau community, the Scholars actively participate in the Foundation's various events and can rely on our financial and logistical support to organize seminars and colloquia.

The Trudeau Scholarship program is working well and does not require any major modifications. We recommend the following minor changes, based on the experience of the last five years and the current context:

- **Focus efforts to recruit Scholars from a broad spectrum of social sciences and humanities, beyond law, political science and philosophy. The Foundation mission also includes diverse fields such as economics and industrial relations, linguistics and visual arts. Increase the proportion of students from these sectors in the coming years, consonant with our values of pluralism and interdisciplinary exchange of ideas.**
- **As of 2009, adjust the value of the Trudeau Scholarships to take the prevailing financial and economic situation into account, and to maintain their position among the most attractive awards. The annual allotment should be increased to \$40,000.**
- **With a revised investment strategy, and new public and private partners, increase the number of Trudeau Scholarships, to offer at least ten additional scholarships by 2011, reducing the number of original high-calibre candidates we reject for purely monetary reasons.**
- **Achieve target levels for the attribution of Trudeau Scholarships to foreign students studying in Canada and their counterparts, Canadian doctoral**

students studying in foreign universities, by associating at least five of the new Trudeau Scholarships with an international focus, with cooperative agreements to ensure our exacting selection criteria are maintained.

Fellows

The Trudeau Fellowship program lends the Foundation credibility and visibility. To date, the Fellowship program has rewarded renowned and well-established researchers and creators, helping individuals complete or accelerate projects already underway. The prestige and benefits associated with the prize send a clear message about the importance Canada places on those who strive to resolve the social issues that affect our collective choices. In addition, the program allows us to draw Canada's greatest thinkers into our community.

We have not yet succeeded in integrating the Fellows into the Trudeau community due to the lack of a clearly outlined policy. The legitimate desire to preserve the advantageous tax status of the Trudeau Fellowship has led to a restrictive and rather literal interpretation of the mutual obligations of the Fellows and the Foundation.

We have the opportunity to direct the Fellowship program in a more innovative fashion. We also want to raise awareness of Canadian contributions in social science and the humanities and relay them to all groups and organizations interested in public policy. The influence of the Trudeau Fellowships should also extend to the many citizens who are curious about major societal issues and who are seeking solutions inspired by the best knowledge.

While the changes envisioned for the Trudeau Fellowship program are not radical, the monies given to the Fellows on an annual basis would cease to be a "prescribed prize," as defined by income tax laws, because explicit expectations would be placed on the Fellows. The Fellowships and related benefits would be granted with a clear explanation of the importance we place on dissemination of knowledge and the researcher/creator's social responsibility.

To better meet our vision and mandate, we recommend that we identify and reward researchers and creators whose ideas merit public attention and who can contribute directly to the advancement of our society. In effect we should:

- **Reorient Trudeau Fellowships to place primary importance on the idea of civic engagement. Actively support Fellows who want make use of the Fellowship resources to further discussion and debate with other members of the Trudeau community.**
- **Strongly encourage Trudeau Fellows to get directly involved in communicating their ideas to the public, with a view to sharing knowledge focussed on civic engagement.**
- **State explicitly the expected benefits for the Fellow and for society by underlining the importance of building bridges with other fields and the**

public policy networks that may be able to benefit from new inputs and perspectives.

- **Invite Fellows, during their tenure, to provide Scholars with support and coaching.**
- **Expect Fellows to participate in Foundation events, and reflect this orientation in the definition of the annual travel and networking allowance.**
- **Launch two specific programs, funded with the savings realized through more careful management of the travel and networking allowances. The first is a publication program, which would allow Fellows to more broadly communicate the results of their reflections on the Foundation's priority public policy issues. The second is a logistical support program that will facilitate exchanges between the Fellows and other people interested in these policies, through seminars, workshops and other meetings.**

Mentors

The Foundation's unique Mentoring program has elicited strong interest in organizations that develop research applications. Unlike other mentoring programs, our program has distinguished itself by pairing a Scholar with a person who, without necessarily having the same educational background or career interests, has direct experience in one of the major thematic areas prioritized by the Foundation. Experience has also shown that the Mentors play a group role within the Foundation, by introducing a practical and concrete aspect to our discussions.

The program was overhauled in 2007-2008. A new list of nominators was established, clearly anchored in decision-making and public policy network milieus, including non-governmental organizations and citizen movements. The selection process was recentred on the original criteria of experience, competency and reputation. Two challenges remain: making the mentoring relationship more robust, and integrating the Mentors into the Trudeau community. We recommend the following:

- **Pursue efforts to recruit mentors from all venues of Canadian society, including people that are not formally associated with the policy process but meet our criteria for experience, competency and reputation.**
- **Provide support and advice to Mentors to help them engage fully into the program, based on a record of best practices within the Foundation and other comparable programs.**
- **Allow Mentors to use their travel allowance to participate in the main events organized by the Foundation for as long as their assigned scholar is supported by our Scholarship program, creating the opportunity for Mentors and Scholars to see each other at regular intervals, beyond the official mentoring period.**
- **Increase the number of Mentors over the next few years, along with the number of Scholars.**

Public Interaction Program

At present, the Public Interaction Program includes all of the Foundation's research dissemination and knowledge transfer activities. We hold three major events each year: the annual Trudeau Policy Conference (November), the Mentors-Scholars meeting (February) and the Summer Institute (May). Beginning in 2008-2009, a cycle of Trudeau Lectures will be added to the list, featuring public presentations by our Fellows at Canadian universities.

In addition, the Foundation provides substantial financial support and logistical assistance to Trudeau community members who want to organize workshops or colloquia related to our main themes. This program supports between four and six different groups each year.

At this time, the Public Interaction Program lacks a specific component dedicated to decision-makers and members of public policy networks. Trudeau events vary between a "public" model, such as the annual Conference or the members' workshops, and a strictly "private" model, limited to the community, such as the Summer Institute. There is a clear need for seminars and invitational meetings at which a mixed group of experts, practitioners and observers – including our Scholars – could convene and have a private and frank discussion. We recommend that:

- **The Public Interaction Program include three major components: Trudeau events such as the annual Conference and the Summer Institute; the Trudeau Seminars, members' meetings and workshops for invited decision-makers; and a cycle of Trudeau Lectures specifically geared to public policy networks working in our priority areas.**
- **We use the expanded Public Interaction Program to develop strategic partnerships and alliances, and potential new sources of financing and event sponsorship.**

Administrative Support

As these recommendations are implemented, some minor adjustments to internal administrative support mechanisms will be required. The Foundation guidelines currently provide for a maximum of 1.5% of the return on the endowment to be used for administrative purposes. At present, the Foundation operates at less than 1.2%. The recommendations in this report, if endorsed, will require minor adjustments to the administrative budget to increase it to a level of approximately 1.35%.

This will ensure required internal capacity is in place, that program management risks are minimized and that succession and replacement planning can begin. This adjustment will also support professional development for existing employees, and new staffing capabilities in the area of publication and communications support, information management and dissemination, and administrative support to handle the expansion of the Scholarship program.

Detailed implementation plans will be submitted to the Board.

4 Themes – New Perspectives

From the beginning, the Foundation decided to centre its actions on four major themes that reflect central questions in the life and works of Pierre Elliott Trudeau: human rights and social justice, responsible citizenship, human beings in their natural environment, and Canada and the world. This decision gave a solid boost to the Foundation's efforts to unite a community of dialogue around our programs, because our Fellows, Mentors and Scholars naturally formed groups around each theme.

The Foundation's credibility relies heavily on our members' and partners' conviction that they are working with us on issues of critical importance for Canada and the world. New questions have emerged and, with them, new ways of viewing and defining these issues. The Trudeau community was consulted at length on the matter and a number of amendments and additions were suggested. After five years, no one should be surprised to learn that research has advanced and ideas have evolved in the Foundation's four priority areas.

Human Rights and Dignity

The purpose of pursuing and establishing civil, political, economic and social rights is to preserve and promote human dignity, in all its aspects and dimensions. This means that the issue of human rights is not limited to legal issues but is directly related to social justice. Human beings should be able to lead a life within society that reflects their common values and aspirations, in spite of differences and inequalities. This ethical stance requires us to find new prospects for inclusion and participation, in order to advance opportunities for all people and reduce the gaps between individuals and groups.

Research on this theme may focus, for example, on all aspects of rights affirmation movements, including social policy and humanitarian action. In particular, the Foundation is interested in studies related to group and individual emancipation efforts or, inversely, examinations of exclusionary practices and marginalized groups.

Responsible Citizenship

The rights and the obligations conferred by citizenship are not equitably distributed. While powerful forces are pushing for integration on a planetary scale, cultural, ethnic and religious divisions appear to be growing stronger, with an increasing risk of loss of social cohesion. We have not yet found the practices that will allow everyone to embrace a new landscape of democracy. The rights and

obligations of citizenship have implications that vary at local, national and global levels; previous distinctions between private and public spheres of responsibility often blur in a global economic context. Democratic practices must concord with the pluralist environments where they will be deployed, in a spirit of tolerance and shared social responsibility.

Research on this theme may focus, for example, on political values and the exercise of democracy, taking growing social diversity into account. It would also be of interest to examine the institutional conditions for civic involvement, from a historical and comparative perspective; to examine the institutional conditions for corporate practices of “good citizenship.”

Canada in the World

Canada has a long tradition of responsible engagement in international affairs, which has become an important and integral part of our identity. Through experiences such as immigration, travel, or instant global communications, Canadians themselves have undergone a profound shift in their understanding of the world and their place in it. The new Canadian public is more apt to be aware of complex international realities, whether they relate to commerce, culture or security. Their concepts of risk, social obligation and engagement are evolving. Canada’s public international role has changed significantly in recent years. We have a clear need to rethink foreign policy and reflect on opportunities and challenges for our role in the future. Canada’s exceptional expertise should allow us to act as a world leader in several key areas, such as environmental protection and cooperation between nations.

Research on this theme may focus, for example, on the prevention and resolution of international conflicts, with particular emphasis on points of tension, such as culture, religion and the environment. Studies that examine Canada and its place in the world may also pay special attention to economic and commercial issues, as well as to the process of foreign policy development.

People and Their Natural Environment

Environmental issues are widespread and a source of concern for individuals around the globe. Competition for food, water, clean air and natural resources are leading to conflict. Like other countries, Canada must acknowledge the degradation of the natural environment and the threat this poses to the health and security of Canadians. Even the most remote community in the country is not exempt. Beyond environmental protection and conservation measures, research into new ecological measures and human adaptation are other ways to reduce the risk of confrontation between different sectors of society or different countries. The notion of environmental justice will no doubt play an important role in the future, inspiring decisive changes in the economic, political and social order.

Research on this theme may focus, for example, on environmental security at the global level and on approaches for reducing the vulnerability of ecosystems, especially in regions such as the Arctic and the boreal forest. The Foundation is also interested in studies of a social, economic or political nature that lead to the identification, evaluation or dissemination of sustainable environmental practices.

5 Strategic Considerations

In the years ahead, the Foundation's decisions should be guided by three major considerations. We will provide a meeting place for people who share a sense of moral and intellectual responsibility, who are driven by a shared desire to engage in public life. In doing so, we will facilitate debate among researchers from different generations, from diverse perspectives, across disciplinary horizons. We will focus more directly on activities that disseminate knowledge and contribute to public information. Finally, we will dedicate a bigger share of our resources to the international aspects of our various programs, since the knowledge society clearly does not stop at the borders of our country and indeed demands an ever-growing level of international cooperation.

A Pluralist and Open Community

We have learned that the diversity within our community, in and of itself, is an important source of real intellectual advances and concrete, innovative proposals for crucial social, cultural and environmental policy. At the same time, that pluralism often acts as a barrier to publication and research dissemination.

The selection practices for Scholars, Mentors and Fellows must continue to favour people who have demonstrated a real interest in interdisciplinary work and in dialogue between the world of research and the world of action.

The Foundation must second and facilitate the Trudeau community's efforts to publicize their ideas. The financial and logistical support that we offer to our community will explicitly reflect our interest in disseminating innovative ideas and the practical application of research results.

The Foundation will provide special support to members of the community who want to acquire specific training in knowledge transfer and the communication of research results.

Support for Social Innovation

While the Trudeau Foundation does not promote ideologies or programs of action, we are in favour of social innovation, when it is rooted in sound knowledge, supported by thorough research, and consonant with our mission and values.

Good communication between decision-makers and researchers is indispensable to the transfer of knowledge and its practical application. The Foundation has always encouraged community members to participate in policy networks where experts and practitioners work together. For example, the Mentorship program was designed to facilitate the introduction of young researchers into these networks.

The prestigious list of Trudeau Fellows reveals the diversity of their concerns and the very real implications of their work for Canadian society. The Foundation wants to do more to introduce our Fellows to the greater public and give their ideas the exposure they deserve. We believe that this will allow us to make a significant contribution to the advancement of social science and the humanities in Canada.

Continue to promote public events where top experts debate innovative ideas with experienced practitioners. The annual Conference must be the Foundation's "showcase" and an opportunity to display the Trudeau community's contributions to the advancement of knowledge about major societal issues.

Increase support for these activities, by promoting discussions and exchanges on difficult or emerging issues that demand collaboration between researchers and practitioners.

Organize regular seminars on crucial issues related to areas of public policy we have adopted as our principal themes. These seminars will bring together members of the Trudeau community, decision-makers and guest experts.

Create the Trudeau Lectures cycle, a series of five public lectures held each year in universities and institutes of higher learning. The Trudeau Lectures will give Fellows an opportunity to present an overview of their work and explain how it contributes to the advancement of ideas and the resolution of public problems. At the end of each annual lecture cycle, the Foundation will publish the text of the speeches in the *Trudeau Foundation Papers* in both official languages, in print format and on the Foundation website.

The Foundation will continue the policy of supporting public workshops initiated by members of the Trudeau community. As in the past, the projects will be evaluated on the basis of merit, but priority will be granted to events that follow up on the annual Conference.

International Activities

From the time of our inception, the Trudeau Foundation has demonstrated a desire to devote a certain proportion of our Scholarships and Fellowships to foreign nationals, under certain conditions. Funding for studies or research abroad has always been a possibility for members of the Trudeau community, which has a decidedly international perspective.

And yet much remains to be achieved. The Foundation would like to recruit more foreign doctoral students and fund the doctoral studies of Canadian students in more countries and at more institutions. It would also be fitting to use Trudeau Fellowships to recognize the work of high-level foreign researchers and thinkers and support their presence in Canada for meaningful periods.

The Foundation does not have the resources to systematically recruit candidates outside of Canada. We must rely on partnerships with other organizations that are already active in this regard, such as universities, study centres and other foundations.

In this light, it would be wise to focus the Foundation's international efforts on a limited number of countries or world regions, in order to make the most of the synergies arising from repeated exchanges. The goal is not to limit choices for the members of the Trudeau community, who will continue to freely determine their educational or research program, but to welcome into the community people who will enrich it with new perspectives.

Develop a process to identify target countries, where an exchange of ideas will particularly benefit Canada in years to come.

Establish cooperative agreements with institutional partners able to help us recruit, select and welcome foreign Scholars, and to nominate Canadian doctoral students interested in study and research sessions in the target countries. The Foundation will also seek to facilitate sojourns in Canada for renowned foreign researchers, by reserving one Trudeau Fellowship each year for this purpose.

6 The Trudeau Foundation: Unique Contributions

The problems facing Canada today require innovative solutions that can only be discovered through patient efforts by well-educated researchers who are prepared to get involved in practical action. The Trudeau Foundation is trying to identify and foster a new generation of researchers who match this profile while simultaneously mobilizing the more established researchers.

With our partners in academia and public administration, the Foundation promotes interdisciplinarity and the search for practical applications, which puts our community at

the leading edge of social research. Because we have maintained course on our well-defined goals, the Foundation has met with great success in our short history. Clearly, enormous potential remains and the need is very great. This augurs a great future and above all a successful and lasting tenure for our organization.

Within Canada, no other organization has the unique attributes and flexibility that have enabled the Trudeau Foundation to foster a new generation of exceptional thinkers, innovators and leaders. Without the ability to articulate, promote and defend the values of human rights, civic engagement, global participation and environmental sustainability, other activities pale in comparison.

As stewards and leaders of this organization, it falls to us to use our extensive resources to bolster the future of the Foundation, to create a legacy that will benefit all Canadians.

Now that the Foundation has moved beyond its formative stages, we have the extraordinary collective opportunity to support the emergence of a new generation of intellectual leaders and prepare them to actively participate in the research and development of innovative, practical answers to the major challenges facing our society.

Because we support the work and reflections of excellent researchers who are trying to develop a better understanding of the complex social issues confronting our country and who want to offer original, sustainable solutions, building bridges between the world of research and the world of public policy, history may treat us more kindly.

By facilitating the dissemination of research results in the public arena and encouraging discussion and debate around the potential consequences of these results, by participating in the development of social science and the humanities in Canada, by offering researchers a dedicated platform for promoting their work and by financially supporting their efforts, we have the power to shorten the gap between discovery and practical benefit for individuals and their lives.

With our growing reputation in our priority areas, we are developing the opportunities for our beneficiaries and our organization to make a difference within the global community, far beyond Canada's borders. We have enviable intellectual resources within our country. By unleashing their power through our enabling capability, we are making a difference for future generations.

"Our destiny is what we choose to make it. And if we surprise ourselves from time to time by our own accomplishments, so what?"

Pierre Elliott Trudeau

APPENDIX A SUGGESTED PROGRAM ADJUSTMENTS

Scholarship Program

1. Increase the proportion of students from a broad spectrum of social sciences and humanities, beyond the natural disciplines of law, political science and philosophy, from economics and industrial relations to linguistics and visual arts.
2. Adjust the value of the Trudeau Scholarships beginning in 2009, to take the prevailing financial and economic situation into account and to maintain their position among the most attractive awards. The annual allotment should be increased to \$40,000.
3. Increase the number of Trudeau Scholarships, to offer at least ten additional scholarships by the end of the second strategic plan in 2012.
4. Associate at least five of the new Trudeau Scholarships with the international program, for foreign doctoral students in Canada and their counterparts, Canadian doctoral students studying in foreign universities, through cooperative agreements.

Fellowship Program

5. Be more explicit about the benefits expected for the Fellow and for society in the attribution of Trudeau Fellowships. The new resources put at their disposal should be used to build bridges with other fields, other realities and public policy networks.
6. Ensure that Fellows make a commitment to welcome the Scholars for the entire tenure of the award and provide them with support and coaching.
7. Adjust the definition of the Fellows' annual travel and networking allowance to reflect the importance of participating in Foundation events. Make the amount of the allowance and the related conditions more similar to those that apply to the other members of the community.
8. Establish two specific programs for Fellows, financed through savings generated by more careful management of the travel and networking allowance: (1) a publication support program, to allow Fellows to publish the results of their reflections on the Foundation's priority public policy issues, and (2) a logistical support program, for seminars, workshops and other meetings that facilitate exchanges between the Fellows and other people interested in these policies.

Mentorship Program

9. Pursue efforts to recruit mentors from all venues of Canadian society, including people that are not formally associated with the policy process.
10. Provide support and advice to Mentors to help them engage fully into the program, based on best practices within the Foundation and other comparable programs.

11. Allow Mentors to use their travel allowance to participate in the main events organized by the Foundation for as long as their assigned scholar is supported by our Scholarship program.
12. Increase the number of Mentors along with the number of Scholars.

Public Interaction Program

13. Add a third component to the Public Interaction Program: in addition to Trudeau events (such as the Conference and the Summer Institute), and members' meetings and workshops, a cycle of Trudeau Seminars will be created for policy networks working in our priority areas.
14. Develop strategic partnerships and alliances with prestigious sponsors for the Public Interaction Program, to access a new source of funding for the Foundation.

**APPENDIX B
INVESTMENT POLICY**

**PIERRE ELLIOTT TRUDEAU FOUNDATION
ENDOWMENT FUND**

STATEMENT OF INVESTMENT POLICY

Approved by the Board of Directors of the Pierre Elliott Trudeau Foundation
at its meeting of 29 April 2006.

1. *Definition*

The Endowment Fund (“Endowment”) is a fund comprised of the original grant of \$125 million from the Government of Canada in 2002 (“Fund”) plus accrued income, as well as bequests and donations received from time to time by the Pierre Elliott Trudeau Foundation (“Foundation”) from private sources.

2. *Governance*

The Board of Directors (“Board”) has appointed a Finance and Investment Committee (“Committee”) to oversee the management of the Endowment in accordance with the policies set out in this Statement of Investment Policy (“Statement”).

The Committee will at all times be composed of no fewer than three Directors of the Foundation who are not officers or employees. Other individuals with specific financial expertise may be appointed to the Committee from amongst the Members of the Foundation or from outside the Foundation. All members of the Committee will be financially literate and have broad knowledge or experience in investment matters.

The Committee’s mandate is to oversee all matters related to the investment management of the Endowment. In particular, the Committee is to determine the investment policy subject to directions from the Board, to recommend the appointment and dismissal professional investment managers, to monitor on a regular basis the Endowment’s investment performance and to report to the Board at least once a year on investment performance, and on any significant financial risks faced by the Endowment. The Committee will review this Statement annually and recommend any necessary amendments to the Board for approval. The Committee will also establish an Investment Strategy describing the means used by the Foundation to implement this Statement. The Strategy will define the style of investment management, as well as specific investment instruments that will be used. The Strategy shall be reviewed at least annually.

3. *Fundamental Investment Principle*

The fundamental investment principle of the Foundation is that the Endowment should be invested and managed according to investment policies, standards and procedures that a prudent person would exercise in making investment decisions regarding property belonging to others.

4. *Investment Objectives*

Investment decisions shall be made with the principal objective being the preservation (in real dollar terms) of the Endowment capital over the long term, at an appropriate level of risk so as to protect the interests of future generations. The overall investment objectives also include obtaining a total return (yield plus capital appreciation) necessary to provide a dependable and optimal source of income for the programs of the Foundation, and to cover the annual operating costs of the Endowment. The numerical objective is to seek an average annual real rate of return of 4.5% and shall be measured over moving annualized five and ten-year time periods.

The Endowment assets have a long-term, indefinite time horizon that runs concurrent with the longevity of the Foundation, which will exist in perpetuity. Therefore, the Endowment can assume an above-average level of risk as measured by the standard deviation of annual returns. It is expected, however, that both professional investment management and appropriate portfolio diversification will smooth volatility and help ensure a consistency of return.

5. *Asset Mix*

The target asset mix of the total Endowment based on market value will be as follows, with the following ranges allowed:

Percentage of Fund at Market Value

Target

| | Mix | Range | |
|---|------------|----------------|----------------|
| | | <i>Minimum</i> | <i>Maximum</i> |
| Canadian Equities | 47.5% | 40% | 50% |
| Foreign Equities* | 5 % | 0% | 10% |
| Alternative Assets incl Private Equity* | 2.5% | 0% | 2.5% |

**Investments in foreign equities and in alternative assets including private equity are limited to funds and cannot involve outright ownership of the asset.*

| | | | |
|-----------------------|------------|------------|-------------|
| TOTAL Equities | 55% | 40% | 60%* |
|-----------------------|------------|------------|-------------|

** At no time may the total amount invested in equities exceed 60%.*

| | | | |
|---|------------|------------|------------|
| Cash and Equivalents (including income to distribute) | 5% | 2% | 10% |
| Domestic Bonds* | 40% | 38% | 50% |
| <i>*May include as well debentures, mortgages, notes or other debt instruments of government, government agencies and corporations.</i> | | | |
| TOTAL Fixed Income | 45% | 40% | 60% |

5.1 Permitted Investments

In order to achieve its investment objectives, the Endowment may be allocated among a number of asset classes. These asset classes may include Canadian equity; US equity; non-North American equity; Canadian, US, and non-North American fixed income; real estate; venture capital; private equity; hedge funds, and funds of hedge funds; and cash and equivalents. The investment managers will be free to manage the assets in the portfolio in an active manner within the parameters of the current policy and in the light of the Foundation's investment strategy (including the use of pooled funds), which will be reviewed at least annually, as noted above.

Investments in the securities of any one issuer, or two or more affiliated entities shall be limited to no more than 10% of the assets of the Endowment. This rule shall not apply to investments in securities of the Government of Canada or the government of a province or the government of the United States, or securities that carry the full faith and credit of the abovementioned governments; nor does it apply to any index, segregated, mutual, or pooled fund.

The Endowment's investments in the equities of any one issuer shall be limited to no more than 10% of the outstanding stock (or of any single class thereof) of the issuer. Investment in income trust units, which are considered to be equity investments, is permitted.

Investments in alternative assets (including real estate, venture capital, private equity, hedge funds, fund of hedge funds, or other non-traditional asset classes) shall be limited to no more than 2.5% of the assets of the Endowment's investment portfolio, and shall require the prior written approval of the Committee.

At all times, the Endowment shall maintain a minimum of 2% of the investment portfolio in cash or cash equivalents to meet the Foundation's liquidity needs.

6. Investment Policy Guidelines and Restrictions: Managing Risk

The Endowment may not be invested in the following:

- (a) Fixed-income instruments rated below BBB- by Standard & Poors, DBRS or Fitch Ratings, or Baa3 by Moody's;
- (b) Derivatives or any instruments that have derivative holdings other than for risk mitigating purposes;

- © Non-marketable securities;
- (d) Commodities; and
- (e) Repurchase agreements against securities which are not permitted to be held in the Endowment's investment portfolio.

The investment policies, guidelines and restrictions presented in this Statement serve as a framework to help the Committee and staff of the Endowment's investment managers to achieve the investment objectives at a level of risk deemed acceptable. The Endowment shall be diversified both by asset class and within asset classes. Within each asset class, securities shall be diversified among economic sector, industry, and size. The purpose of diversification is to provide reasonable assurance that no single security, allocation to a particular industry or asset class will have a disproportionate impact on the performance of the total Endowment.

Investment managers must ensure a prudent mix in the credit ratings of bonds held in the Endowment. At least seventy percent of the total value of the bonds held must be rated at "A" or above. If any bonds are downgraded after they have been acquired, so that the overall exposure to credit risk is no longer acceptable or the bonds no longer qualify within the terms of this Investment Policy, the investment managers should dispose of the bonds in a timely but prudent fashion so as not to produce unnecessary losses.

The Endowment is expected to achieve over moving four-year periods a return, after all fees and expenses, at least equal to a composite benchmark made up of passive investments in appropriate market indices.

The initial measure of risk is a 3-year rolling rate of return compared with the current spending rate. The rolling rate of return should exceed the current spending rate seven years out of ten.

The Endowment managers shall maintain sufficient liquidity to meet current operating disbursements and to avoid untimely disposal of securities. Given the historical pattern of disbursements of the Foundation, and projected future disbursements over the medium term of five to ten years, it is anticipated that the 5% target mix allocated to cash and equivalents will be sufficient to meet liquidity needs and to allow flexibility for investment managers. The liabilities of the Foundation are almost entirely in Canadian dollars so the target mix allocated to cash and equivalents will be held primarily in Canadian dollars.

Investment managers are authorized to hedge currency risk at their discretion. The currency hedge ratio may deviate between 30% and 70% of total foreign currency exposure.

6.1 Equity Investments

The purpose of equity investments is to provide capital appreciation, growth of income and current income, with the recognition that this asset class carries with it the assumption of greater market volatility and increased risk of loss.

Equity investments are to be made primarily in high quality, readily marketable securities of corporations that are actively traded on recognized stock exchanges. Quality is not synonymous with size or recognition and the investment in securities of high quality, well-established smaller capitalized companies with reasonable market liquidity is not precluded. Investment managers are prohibited from investing in alternative assets without the prior written approval of the Committee.

6.2 Fixed Income Investments

The purpose of fixed income investments is to provide diversification, a predictable source of income, and a reduction in the volatility of the total portfolio.

Investments in fixed income will include bonds, debentures, mortgages, notes or other debt instruments of government, government agencies and corporations as well as money-market securities, including cash, treasury bills, banker's acceptances, Guaranteed Investment Certificates, commercial paper and certificates of deposit. Subject to the restrictions contained in s. 6, individual managers will be permitted to invest in higher yield issues up to limits established by the Committee from time to time, and subject to the prior approval of the Committee.

7. *Cash and Securities Lending*

Cash and securities lending is not permitted.

8. *Voting Rights*

The Pierre Elliott Trudeau Foundation shall be responsible for exercising and directing the use of voting rights acquired through the Endowment's investments. The Committee and staff may accept advice on such matters from investment managers and consultants as they deem necessary and should at all times act prudently and with due regard to the interests of the Endowment.

In general, it should be the policy of the Committee to support the management of investee corporations as a passive investor, except in cases where such action would be, or could be, contrary to the best interests of the Endowment.

9. *Socially Responsible Investing*

The primary purpose of the management of the Endowment is, as set out above, to optimize the real rate of return on the Endowment's assets with an acceptable level of risk, thereby protecting the capital in real dollar terms over the long term. However, holdings in the portfolio that, by decision of the Board, might cause concern to the Pierre Elliott Trudeau Foundation are to be reviewed regularly by the Committee which will advise on matters of social responsibility. The Committee is responsible to report any concerns to the Board, and should ensure that any divestment decisions taken by the Board are implemented in an orderly and timely fashion.

10. Performance Measurement and Monitoring

Subject to the provisions of this Statement, The Committee shall adopt appropriate benchmarks or market indices against which to measure the performance of investment managers. These benchmarks or indices shall be reviewed on an annual basis. Manager performances will be compared on a regular basis (not less than semi-annually) with the benchmarks or indices and with other funds managed by peer group managers subject to similar investment styles and objectives. The Committee shall also recommend to the Board for its approval the appointment of an independent, external investment advisor to assess investment performance and to recommend modifications to the investment strategy.

11. Investment Managers

The Committee shall recommend to the Board for its approval the appointment of one or more professional investment managers to invest the Endowment consistent with this Statement and with the investment strategy. The Committee may also recommend to the Board the withdrawal of funds from managers or the reallocation of funds amongst managers. In urgent situations, the Committee may ask the Executive Committee of the Board to approve such withdrawals or reallocations.

Investment managers are responsible for providing optimal risk-adjusted returns within their mandates. Subject to the restrictions established in this Statement, and within the parameters of the investment strategy, the investment managers are to have complete investment discretion with the expectation that assets allocated to them will be invested with the care, diligence and skill that a person of ordinary prudence would use in dealing with the property of another and that the investment manager shall use all relevant knowledge and skill that he or she possesses or ought to possess.

At the time of appointment, each new investment manager will be provided with an investment management mandate consistent with this Statement, a copy of this Statement and a copy of the investment strategy.

Investment managers are responsible for frequent and open communications with the Committee on all significant matters pertaining to the assets managed. Investment managers are to meet with the Committee as often as deemed necessary by the Committee.

12. Conflict of Interest Concerning Investment Management

The Board of Directors shall require that all investment advisors or portfolio managers involved in the investment management of the Endowment disclose in writing, on a timely basis, the nature and extent of any interests he or she may have including any material interest in any entity that is a party to a transaction with the Foundation.