

**Amendment to the Partnership Agreement on
Economic and Community Development
In Nunavik**

Between the **Makivik Corporation**, a corporation duly incorporated under Section 2 of the *Act respecting the Makivik Corporation* (R.S.Q., Chapter S-18.1), represented by its President, Mr. Pita Aatami

hereinafter referred to as “Makivik”,

And the **Kativik Regional Government**, constituted under Section 239 of the *Act respecting Northern Villages and the Kativik Regional Government* (R.S.Q., Chapter V-6.1), represented by its Chairman, Mr. Johnny N. Adams

hereinafter referred to as “KRG”

And the **Gouvernement du Québec**, represented by the ministre délégué aux Affaires intergouvernementales canadiennes et aux Affaires autochtones, Mr. Benoît Pelletier

Hereinafter referred to as “Québec”

PREAMBLE

Whereas the Gouvernement du Québec, Makivik Corporation and Kativik Regional Government signed, on April 9th, 2002, the Partnership Agreement on Economic and Community Development in Nunavik, hereinafter the Sanarrutik Agreement;

Whereas the parties have agreed subsequently to bring amendments to the Sanarrutik Agreement in order to make its implementation easier;

Whereas Section 7.6 of the Sanarrutik Agreement provides that it may be amended with the consent of the parties;

Whereas it is desirable to amend section 2.5.5 of the Sanarrutik Agreement;

Therefore the parties agree as follows:

1. Section 2.5.5 of the Sanarrutik Agreement is replaced by the following one:

“2.5.5 The actual growth of population in Nunavik as used by the Institut de la Statistique du Québec (ISQ) will serve to determine the indexation applicable in the context of this Agreement.

 The formula for calculating the indexation and the annual revision mechanism are described in Schedule C of this Agreement.”
2. The Sanarrutik Agreement is amended by the addition of Schedule C appended to this Agreement.

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED:

For Makivik Corporation:

For the Gouvernement du Québec:

PITA AATAMI,
President

BENOÎT PELLETIER,
Ministre délégué aux Affaires
intergouvernementales canadiennes et aux
Affaires autochtones

Signed in
on _____ 2004

Signed in
on _____ 2004

For Kativik Regional Government:

JOHNNY N. ADAMS,
Chairman

Signed in
on _____ 2004

SCHEDULE C

INDEXING FORMULA

1. INDEXING FORMULA

From April, 2005, the amount of 15 million dollars paid in 2004-2005 by the Government of Québec to Makivik and KRG for the funding for community and economic development projects under Section 2.5.1 of this Agreement will be adjusted by applying the following formulas:

- **For 2005-2006**

$$\left(1 + \left[\left[\frac{\text{CPIQ2005} - \text{CPIQ2004}}{\text{CPIQ2004}} \right] + \left[.20 \times \left[\frac{\text{NP2004} - \text{NP2003}}{\text{NP2003}} \right] \right] \right) \times 15 \text{ M\$} = R_1$$

- **For 2006-2007**

$$\left(1 + \left[\left[\frac{\text{CPIQ2006} - \text{CPIQ2005}}{\text{CIPQ2005}} \right] + \left[.40 \times \left[\frac{\text{NP2005} - \text{NP2004}}{\text{NP2004}} \right] \right] \right) \times R_1 = R_2$$

- **For 2007-2008**

$$\left(1 + \left[\left[\frac{\text{CPIQ2007} - \text{CIPQ2006}}{\text{CPIQ2006}} \right] + \left[.60 \times \left[\frac{\text{NP2006} - \text{NP2005}}{\text{NP2005}} \right] \right] \right) \times R_2 = R_3$$

- **For 2008-2009**

$$\left(1 + \left[\left[\frac{\text{CPIQ2008} - \text{CPIQ2007}}{\text{CPIQ2007}} \right] + \left[.80 \times \left[\frac{\text{NP2007} - \text{NP2006}}{\text{NP2006}} \right] \right] \right) \times R_3 = R_4$$

- **For 2009-2010**

$$\left(1 + \left[\frac{\text{CPIQ2009} - \text{CPIQ2008}}{\text{CPIQ2008}} \right] + \left[\frac{\text{NP2008} - \text{NP2007}}{\text{NP2007}} \right] \right) \times R_4 = R_5$$

- **From 2010-2011 to 2026-2027**

From April 2010 to the end of this Agreement, the indexing formula applied in 2009-2010 will continue to be used by modifying the reference years in order to correspond to the year for which the calculation of the amount to be adjusted is done.

Where :

CPIQ means : the Consumer Price Index for Québec from January to December of a given year.

NP means : the Nunavik population for a given year.

15 M\$ means : the basic amount to be adjusted in 2005-2006.

R₁ means : the result of the indexing for 2005-2006 and the amount to be indexed for 2006-2007.

R₂ means : the result of the indexing for 2006-2007 and the amount to be indexed for 2007-2008.

R₃ means : the result of the indexing for 2007-2008 and the amount to be indexed for 2008-2009.

R₄ means : the result of the indexing for 2008-2009 and the amount to be indexed for 2009-2010.

R₅ means : the result of the indexing for 2009-2010 and the amount to be indexed for 2010-2011.

The part of each indexing formula in parenthesis is the **indexing factor**.

2. DATA SOURCES USED

The data sources used will be the following:

- Nunavik Population

Institut de la statistique du Québec (ISQ) (estimate of the population of the Kativik Region per village based on the latest census, corrected by net undercount); data available on the web site of the ISQ;

- Consumer Price Index for Québec (per year)

Statistics Canada, CANSIM, Overall Index, Table 326-0002, Product 62-001-XPB (on the Web site).

3. ESTIMATE OF THE ADJUSTED AMOUNT

No later than March 15th of each year, Québec will make an estimate of the adjusted amount for the following year based on the most recent data available concerning:

- the population of the Kativik Region;
- the Consumer Price Index for Québec.

No later than March 15th of each year, Québec shall send the result of this estimate to the KRG and Makivik representatives.

This estimate can also be the subject of discussions between the Parties during the three weeks following the receipt by the KRG and Makivik of the estimate made by Québec.

The data dealing with the population of the Kativik Region as well as those dealing with the Consumer Price Index for Québec used for the estimate of the adjusted amount will have to be comparable from one year to the next. This will ensure that a change of a methodological, accounting or other nature in the accounting of these data does not create a break, when data are compared from one year to the next and for these reasons, does not influence the adjusted amounts.

4. REVISION OF THE ESTIMATES OF THE ADJUSTED AMOUNTS PAID

No later than March 15th of each year, Québec will revise its estimates of the adjusted amounts paid for, at most, the previous five financial years from that year, based on the most recent data available pertaining to:

- the population in the Kativik Region;
- the Consumer Price Index for Québec.

No later than March 15th of each year, Québec will have to send the result of this or these revisions to Makivik and KRG representatives.

This revision or these revisions may also be the subject of discussions between the Parties during the three weeks following the receipt by the KRG and Makivik of the revision(s) made by Québec.

In the case where the replacement of the estimated data by the most recent data were to lead to a readjustment of the indexing factor for one or more financial years in particular and, in so doing, were to result in the revision of the annual payment payable for this or these financial years, the payment of the financial year that follows the year of the revision will be adjusted by an equivalent amount to fully reflect the retroactive payment or the retroactive withholding required for each of the financial years in question.

This retroactive payment or this retroactive withholding will extend over the instalments of the months of April, July, October and January of the financial year that follows the year of the revision.

The annual payment for a given financial year will be final and will be subject to no further revisions after five years.

The data dealing with the population of the Kativik Region as well as those dealing with the Consumer Price Index for Québec used for the revision(s) of the adjusted amount, will have to be comparable from one year to the next. This will ensure that a change of a methodological nature, accounting or other, in the accounting of these data does not create a break, when data are compared from one year to the next and for these reasons, does not influence the adjusted amounts.

5. SETTLEMENT OF DISPUTES REGARDING THE AMOUNTS PAID

In the event that Québec, the KRG or Makivik do not agree on the final determination of the annual payment of Québec for a given financial year, this dispute may be submitted to the dispute settlement mechanism stipulated in Schedule B of this Agreement.