

**AGREEMENT ON THE FINANCING OF MEASURES TO
REDUCE THE COST OF LIVING IN NUNAVIK**

BETWEEN: **The GOUVERNEMENT DU QUÉBEC**, represented by the Minister Responsible for Relations with the First Nations and the Inuit, Ian Lafrenière;
(hereinafter referred to as "Québec")

AND: **MAKIVIK CORPORATION**, a legal entity incorporated pursuant to section 2 of the Act respecting the Makivik Corporation (CQLR, c. r S-18.1), represented by its President, Pita Aatami, duly authorized to sign this Agreement;
(hereinafter referred to as "Makivvik")

AND : **THE KATIVIK REGIONAL GOVERNMENT**, a legal person established in the public interest pursuant to section 239 of the Act respecting Northern villages and the Kativik Regional Government (CQLR, c. V-6.1), represented by Maggie Emudluk, its chairperson, and Ina Gordon, its secretary, duly authorized to sign this Agreement;
(hereinafter referred to as "KRG")

(hereinafter collectively referred to as "the Parties")

PREAMBLE

WHEREAS the Parties recognize that the cost of essential goods, in particular food, is currently much higher in Nunavik than in the rest of Québec;

WHEREAS the Parties also recognize that the situation has repercussions for Nunavik residents that require both immediate and long-term solutions;

WHEREAS the *Agreement on the financing of measures to reduce the cost of living in Nunavik*, signed on 29 March 2019, stipulated in particular funding for a study of the cost of living in Nunavik to allow the Parties to elaborate long-term solutions to reduce the cost of living in Nunavik;

WHEREAS the preliminary report from the study, submitted on 30 October 2024, was deemed satisfactory;

WHEREAS the *Agreement on the financing of measures to reduce the cost of living in Nunavik* expired on 31 March 2025 and an extension for fiscal year 2025-2026 was signed in July 2025 and is scheduled to expire on 31 March 2026;

WHEREAS the Parties have agreed to sign an agreement on the financing of measures to reduce the cost of living in Nunavik for the six upcoming fiscal years (2026-2027, 2027-2028, 2028-2029, 2029-2030, 2030-2031 and 2031-2032);

WHEREAS the measures proposed to reduce the cost of living in Nunavik must be elaborated in such a way that the most economically disadvantaged individuals obtain the most assistance and with a view to promoting a healthy way of life that respects Inuit traditions and culture;

WHEREAS the Parties agree that simple and effective accountability and administrative follow-up procedures should be implemented to facilitate an assessment of the repercussions of the measures for an annual reduction in the cost of living in Nunavik;

WHEREAS KRG adopted a resolution on February 19, 2026, stating that Makivvik will take over the management of the cost-of-living program and that the Director General of KRG will prepare a plan to ensure a smooth and orderly transition of the transfer of the program;

WHEREAS in the context of negotiations for the renewal of the *Partnership Agreement on Economic and Community Development in Nunavik (Sanarrutik Agreement)*, which expires in 2027, Québec and Makivvik agreed that the latter would henceforth be responsible for implementing the *Agreement on the Financing of Measures to Reduce the Cost of Living in Nunavik*;

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

"*Traditional food*" means food harvested in Nunavik's natural environment in keeping with Inuit traditions, culture and hunting, fishing and harvesting methods.

"*Inuit*" means the persons referred to in Division V.1 of the *Act respecting Cree, Inuit and Naskapi Native persons* (CQLR, chapter A-33.1).

"*Previous agreements*" means the agreement on the payment of a grant for measures to reduce the cost of transportation for Nunavik residents, signed in 2007; the *Agreement on the financing of measures to reduce the cost of living in Nunavik*, signed in 2013; the *Agreement on the financing of measures to reduce the cost of living in Nunavik*, signed in 2019; and the *Agreement on the financing of measures to reduce the cost of living in Nunavik*, signed in 2025.

2. OBJECTIVE OF THE AGREEMENT

This Agreement concerns the payment, to KRG for the fiscal 2026-27 and thereafter Makivvik, by Québec of annual grants to elaborate and implement measures targeting an annual reduction in the cost of living in Nunavik.

3. ANNUAL GRANTS TO REDUCE THE COST OF LIVING

3.1 Annual grants will be awarded to according to section 2 for six fiscal years as follows: twenty-three million, eight hundred thousand dollars (\$23,800,000) for 2026-2027; twenty-four million, six hundred thousand dollars (\$24,600,000) for 2027-2028; twenty-five million, five hundred thousand dollars (\$25,500,000) for 2028-2029, twenty-six million, three hundred thousand dollars (\$26,300,000) for 2029-2030, twenty-seven million, two hundred thousand dollars (\$27,200,000) for 2030-2031, and twenty-eight million, two hundred thousand dollars (\$28,200,000) for 2031-2032, making a total of one hundred and fifty-five million, six hundred thousand dollars (\$155,600,000).

3.2. The grants will be used to elaborate and implement measures to reduce the cost of living in Nunavik, presented in Schedule A, for the six upcoming fiscal years (2026-2027, 2027-2028, 2028-2029, 2029-2030, 2030-2031 and 2031-2032).

3.3. For the fiscal year 2026-2027, KRG will receive the grants in three equal instalments. The first instalment will be awarded when the agreement comes into force and the other two will be made on the fifteenth day of October and January. For subsequent annual grants, they will be awarded to Makivvik, unless KRG's plan to ensure a smooth and orderly transition of the responsibilities in terms of elaborating and implementing measures targeting an annual reduction in the cost of living in Nunavik require delays. Written confirmation by KRG and Makivvik of the transfer have to be submitted before January 30 2027 and if required thereafter in a given financial exercise

3.4. For the fiscal years 2027-2028, 2028-2029, 2029-2030 and 2030-2031, Makivvik, will receive the grants in four equal instalments made on the fifteenth day of April, July, October and January of each year pending article 3.3.

For the fiscal year 2031-2032, Makivvik will receive the grants in four equal instalments made on the fifteenth day of April, July, October and January of each year. The last payment for the fiscal year will be made as soon as the requirements of Schedules A and B have been met to Québec's satisfaction.

3.5. KRG for the fiscal 2026-27 will see to the implementation of the accountability measures stipulated in Schedule B and for the subsequent years it will be Makivvik.

3.6. If the accountability requirements are not fulfilled to Québec's satisfaction, the Parties must resolve the dispute in good faith, through collaboration and consultation, in order to achieve an accountability result acceptable to all Parties. In the event that no mutually acceptable solution is determined, the Parties may have recourse to the dispute resolution mechanism in Schedule C.

4. GENERAL PROVISIONS

4.1. Nothing in this Agreement may have the effect of amending the *James Bay and Northern Quebec Agreement* (JBNQA) and, in a case of incompatibility with the JBNQA, the JBNQA takes precedence. In addition, this Agreement must not be used to interpret the JBNQA.

- 4.2. This Agreement is neither a treaty nor a land claim agreement within the meaning of sections 25 and 35 of the *Constitution Act, 1982* (Schedule B to *the Canada Act, 1982*, c. 11 (U.K.)) and must not be construed so as to abolish, abrogate, derogate from, negate, create, affirm or recognize any aboriginal, treaty or other rights.
- 4.3. The Preamble and Schedules form an integral part of this Agreement.
- 4.4. The grants referred to in this Agreement are conditional upon the necessary annual appropriations being voted by the National Assembly and the availability of funds, in accordance with section 21 of the *Financial Administration Act* (CQLR, chapter A-6.001).
- 4.5. This Agreement comes into force on the date of the last signature thereof and ends March 31st, 2032. However, any clause or schedule that, by its nature, should continue to apply shall remain in effect, including the reporting requirements set forth in Schedule B.
- 4.6. This Agreement may be amended with the written consent of the Parties.
- 4.7. This Agreement exists in both an English and a French version. In the event of a divergence between the two versions, the French version prevails.

5. CANCELLATION

- 5.1. Subject to sections 3.6 and 3.7 of this Agreement, the Parties reserve the right to cancel the Agreement if one party fails to comply with the terms, conditions or obligations imposed on it by the Agreement.

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED IN TRIPLICATE:

For Québec:	For Kativik Regional Government:
Original signed by	Original signed by
Ian Lafrenière Minister Responsible for Relations with the First Nations and the Inuit	Maggie Edmudluk Chairperson
2026-08-26	2026-08-26
Date	Date
	Original signed by
	Ina Gordon Secretary
	2026-08-26
	Date
For Makivik Corporation:	
Original signed by	
Pita Aatami President	
2026-08-26	
Date	

SCHEDULE A

Terms and conditions for the use of funding

Administrative responsibility for the grants referred to in this Agreement will be assumed by KRG for the fiscal year 2026-27 and thereafter Makivvik.

The grants referred to in this Agreement will be used to finance the following measures to reduce the cost of living:

- Financial support for elders;
- Airfare Reduction Program;
- Traditional Food Community Support Program;
- Household Appliance and Furniture Program;
- Assistance for the purchase of equipment for subsistence purposes;
- Food and Other Essentials Program;
- Gasoline Program.

In accordance with the terms and conditions set out in this Agreement, Makivvik and KRG will jointly determine priorities and the allocation of the annual grants to the various measures implemented during the course of the Agreement and will inform Québec of them.

The Parties recognize that the funding will be used solely for the purposes of this Agreement.

KRG for the fiscal year 2026-27 and thereafter Makivvik, will ensure that the programs financed using the annual grants referred to in this Agreement comply with Québec laws, policies, standards, regulations and rules.

KRG for the fiscal year 2026-27 and thereafter Makivvik, may use up to 5% of the grant funding to cover its administration costs.

If excess amounts remain at the end of a fiscal year during the Agreement's period of validity, they may be used for the purposes defined in section 3.2.

At the end of the Agreement, if the grants have not been fully utilized for the purposes set forth in Section 3.2, the Parties shall enter into negotiations to agree on the use of the remaining funds.

If the management of the grants leads to a deficit at the end of the Agreement, the amount will be borne by KRG for the fiscal year 2026-27 and thereafter Makivvik.

Transactions under this Agreement are subject to verification by the Auditor General who, for that purpose, has all the powers provided for by the *Act respecting public inquiry commissions* (CQLR, chapter C-37) and, more specifically, the power to examine all registers and documents considered necessary for the verification.

On request and with a reasonable prior notice, KRG for the fiscal 2026-27 and thereafter Makivvik, will allow the ministre responsable des Relations avec les Premières Nations et les Inuit or any other public servant or authorized party to whom such a power has been delegated to have access to all registers, books of account and supporting documents, correspondence and other documents considered necessary for verifying the use of the grants.

SCHEDULE B

Accountability measures

KRG for the fiscal year 2026-27 and thereafter Makivvik, will detail the actual use made of the grants awarded under this Agreement in its annual cost of living report to be submitted to the SRPNI and after the auditing of its annual financial statements.

The reference year for the financial reports to be submitted by KRG for the fiscal year 2026-27 and thereafter Makivvik, is the Québec fiscal year.

For each measure, the annual report must indicate the objective pursued, the specific target and indicators for measuring the degree of achievement of the targets defined.

If some performance indicators are not available, KRG for the fiscal year 2026-27 and thereafter Makivvik, will inform Québec of the reason for their absence.

In addition, Makivvik will establish and implement a process to frequently evaluate the relevance and effectiveness of the measures to reduce the cost of living in Nunavik in accordance with the following objectives:

- Promote a healthy way of life in keeping with Inuit traditions and culture, including:
 - o Promoting healthy eating;
 - o Encouraging the practice of traditional activities to meet a portion of the food needs;
- Improve the socio-economic conditions of the most economically disadvantaged;
- Narrow the gap between the annual average gasoline price in Nunavik and in the Nord-du-Québec region;
- Narrow the gap between the annual price of a basket of groceries (food, household products and personal care items) in Nunavik and in the city of Québec.

For this purpose, Makivvik must set goals and specific targets for each measure along with meaningful performance indicators.

INFORMATION REQUIRED FROM KRG FOR THE FISCAL YEAR 2026-27 AND THEREAFTER MAKIVVIK

Measure	Indicator	Data submitted by TBD	Data submitted by Revenu Québec
Financial support for elders	Comparison of the distribution of disposable income for elders in Nunavik and in Québec as a whole	- List of persons aged 60 and over who are beneficiaries under the JBNQA, including their name, social insurance number (SIN), date of birth and address If the list is not available, Revenu Québec may provide data on individuals aged 60 and over living in Nunavik who have filed an income tax return	- Number of persons aged 60 and over who are beneficiaries under the JBNQA and have filed an income tax return by income class in Nunavik - Number of persons aged 60 and over by income class in Québec as a whole
Airfare Reduction Program	Change in the participation rate by income class	- List of beneficiaries for each measure including their name, date of birth, SIN and address	- Number of residents of Nunavik having filed an income tax return by income class - Number of beneficiaries per income class ⁽¹⁾ for each measure
Household Appliance Program			
Assistance for the purchase of equipment for subsistence purposes			

(1) Revenu Québec will submit this data provided the rules on confidentiality are respected based on the number of beneficiaries

KRG for the fiscal year 2026-27 and thereafter Makivvik, will monitor and update the performance indicators regularly in order to create an overview, at the end of the Agreement, of the degree to which the objectives for each measure have been achieved.

Makivvik must submit a final report on the monitoring of the performance indicators not later than 31 December 2032, making it possible to assess if the objectives and targets have been achieved by the end of the Agreement.

SCHEDULE C

Dispute resolution process

INTRODUCTION

The Parties will avoid having recourse to the judicial system for the interpretation and implementation of this Agreement. For this purpose, the Parties agree to establish a dispute resolution process to ensure that they rely on the courts or other forums only as a last resort.

DEFINITION

For the purposes of the dispute resolution process, a dispute is any controversy, claim or disagreement concerning the interpretation or implementation of this Agreement that is raised formally by either party.

PARTIES TO THE DISPUTE

Only the Parties are authorized to put forward a dispute for resolution using this dispute resolution process.

DISPUTE RESOLUTION PROCESS

The Parties will endeavour to settle disputes in good faith, through cooperation and consultation, in order to arrive at mutually acceptable solutions.

If the Parties are unable to resolve a dispute themselves, the dispute must be submitted to an independent and impartial third party for mediation using the following process:

1. The mediator will be appointed jointly by the Parties or, if they fail to agree, a motion will be presented to a judge of the Superior Court who will proceed with the appointment;
2. Each party will submit its point of view to the mediator on the best way to settle the dispute;
3. The Parties agree that the mediation process cannot be effective unless the parties waive any acquired prescription and agree that the prescription (if applicable) of any right, claim or matter relating to the dispute is interrupted and, if necessary, will be waived periodically until the mediator declares the mediation process completed;
4. The mediation process and also proceedings associated with the dispute are and will remain confidential;
5. The mediator will draft no report and make no recommendation without express authorization from the Parties;
6. Either party may ask the mediator to end the mediation process if there are grounds to believe, despite the efforts and good faith of the Parties, that mediation will not allow a solution to be found.

GENERAL PROVISIONS

The Parties may at any time in the process agree to give the mediator the powers, authority and jurisdiction of an arbitrator, including those of an *amiable compositeur* within the meaning and in accordance with the *Civil Code of Québec* (S. Q. 1991, chapter 64) and the *Code of Civil Procedure* (CQLR, chapter C-25.01).

Each party will pay its own mediation costs: 50% of the mediator's fees and costs will be paid by Québec and 50% by Makivvik.