

**PARTNERSHIP AGREEMENT ON
ECONOMIC AND COMMUNITY DEVELOPMENT
BETWEEN NASKAPIS AND QUÉBEC**

PARTNERSHIP AGREEMENT ON ECONOMIC AND COMMUNITY DEVELOPMENT

Between The Naskapi Nation of Kawawachikamach and the Naskapi Development Corporation, respectively represented by Mr. Louis Einish, Chief, and Mr. Edward Shecanapish, President

hereinafter referred to as “Naskapis”

And Le Gouvernement du Québec, represented by Mr. Pierre Corbeil, ministre responsable des Affaires autochtones and Mr. Claude Béchar, ministre responsable des Affaires intergouvernementales canadiennes et de la Réforme des institutions démocratiques

hereinafter referred to as “Québec”

PREAMBLE

Whereas the parties, in the spirit of the recognition of the Naskapi Nation by the National Assembly of Québec in 1985, enter hereby into a nation-to-nation Agreement which strengthens the political, economic and social relations between Québec and Naskapis, and which is characterized by cooperation, partnership and mutual respect;

Whereas Naskapis and Québec consider the economic and community development as a priority;

Whereas the parties express a strong will to promote economic development, job creation and economic spin-offs for Naskapis and the population of Québec in general;

Whereas Naskapis and Québec wish to enter into a long term partnership agreement in order to put forward a common vision of the economic and community development of Naskapis;

Whereas this Agreement respects the essence of Section 18 of the Northeastern Québec Agreement (NEQA);

Whereas execution of this Agreement by the Naskapi Nation of Kawawachikamach has been authorized by resolution adopted by its Council and approved in a referendum of Naskapi electors;

Whereas execution of this Agreement by the Naskapi Development Corporation has been authorized by resolution adopted by its Board of Directors.

Therefore Naskapis and Québec agree as follows:

1. PURPOSE OF THE PARTNERSHIP AGREEMENT

The purpose of this Agreement is to establish a new nation-to-nation relationship and to put forward a common vision of the economic and community development of Naskapis. For the purposes of this Agreement, Naskapis and Québec agree:

- 1.1 To favor the development of the energy and mining potential in the Naskapi Sector defined in paragraph 15.12.2 of the NEQA;
- 1.2 To share the benefits of economic development in the Naskapi Sector defined in Section 1.1;
- 1.3 To favor economic spin-offs for Naskapis;
- 1.4 To favor a greater autonomy for Naskapis and to provide them more responsibilities in their economic and community development.

2. ECONOMIC DEVELOPMENT

2.1 Funding for community and economic development projects

- 2.1.1 Québec will pay to Naskapis in the proportions of 50% to Naskapi Nation of Kawawachikamach (NNK) and 50% to Naskapi Development Corporation (NDC), the following amounts calculated as follows:

Year 2009-2010 – First Payment

$$\$7 \text{ million} \times \frac{\text{CPIQ01/04/09}}{\text{CPIQ01/04/02}} \times \frac{\text{NaP01/04/09}}{\text{IP01/04/09}} = \text{NaP}^1$$

Where:

- CPIQ01/04/09 means Consumer Price Index for Québec on April 1st, 2009;
- CPIQ01/04/02 means Consumer Price Index for Québec on April 1st, 2002;
- NaP01/04/09 means the Naskapi population on April 1st, 2009, as recorded in the Registre des bénéficiaires*;
- IP01/04/09 means the Inuit population on April 1st, 2009, as recorded in the Registre des bénéficiaires*;
- NaP¹ means first payment to Naskapis in the proportions of 50% to NNK and 50% to NDC.

* Registre des bénéficiaires cris, inuits et naskapis de la Convention de la Baie-James et du Nord québécois et de la Convention du Nord-Est québécois du ministère de la Santé et des Services sociaux.

Year 2010-2011 – Second Payment

$$\$8 \text{ million} \times \frac{\text{CPIQ01/04/10}}{\text{CPIQ01/04/02}} \times \frac{\text{NaP01/04/10}}{\text{IP01/04/10}} = \text{NaP}^2$$

Where:

- CPIQ01/04/10 means Consumer Price Index for Québec on April 1st, 2010;
- CPIQ01/04/02 means Consumer Price Index for Québec on April 1st, 2002;
- NaP01/04/10 means the Naskapi population on April 1st, 2010, as recorded in the Registre des bénéficiaires*;
- IP01/04/10 means the Inuit population on April 1st, 2010, as recorded in the Registre des bénéficiaires*;
- NaP² means the second payment to Naskapis in the proportions of 50% to NNK and 50% to NDC.

Year 2011-2012 – Third Payment

$$\$15 \text{ million} \times \frac{\text{CPIQ01/04/11}}{\text{CPIQ01/04/02}} \times \frac{\text{NaP01/04/11}}{\text{IP01/04/11}} = \text{NaP}^3$$

Where:

- CPIQ01/04/11 means Consumer Price Index for Québec on April 1st, 2011;
- CPIQ01/04/02 means Consumer Price Index for Québec on April 1st, 2002;
- NaP01/04/11 means the Naskapi population on April 1st, 2011, as recorded in the Registre des bénéficiaires*;
- IP01/04/11 means the Inuit population on April 1st, 2011, as recorded in the Registre des bénéficiaires*;
- NaP³ means the third payment to Naskapis in the proportions of 50% to NNK and 50% to NDC.

Year 2012-2013 to 2033-2034 –Fourth and 21 Following Payments

An annual payment calculated in accordance with Sections 2.1.4 and 2.1.5

The first annual payment shall be made no later than September 1st, 2009, the second annual payment and the 23 others shall be made no later than September 1st of the corresponding year of the Agreement.

2.1.2 Funding in the Section 2.1.1 will be a flexible tool designed to respond to the specific needs of Naskapis in financing community and economic projects, in priority those arising from the implementation of the NEQA.

* Registre des bénéficiaires cris, inuits et naskapis de la Convention de la Baie-James et du Nord québécois et de la Convention du Nord-Est québécois du ministère de la Santé et des Services sociaux.

2.1.3 NNK and NDC shall each be responsible for setting up annually a completion timetable and expenditure forecast for projects, for the period covered by this Agreement and inform Québec of the results of these forecasts and timetables.

2.1.4 Beginning in the year following the third payment by Québec pursuant to Section 2.1.1 above, the financial assistance provided for in Section 2.1.1 shall be indexed according to the Consumer Price Index (CPI) of Québec and also, gradually over a five-year period, to the growth of Naskapi population.

2.1.5 The actual growth of Naskapi population recorded in the Registre des bénéficiaires* will serve to determine the indexation applicable in the context of this Agreement.

The formula for calculating the indexation is described in Schedule B of this Agreement.

2.1.6 Québec will maintain for Naskapis, as well as for Naskapi beneficiaries, access to regular programs, subject to the usual application criteria of these programs.

2.1.7 Subject to the fulfillment by Québec of its undertakings under Section 2.1.1 of this Agreement, Naskapis hereby give Québec a full and complete discharge for the duration of this Agreement, with regard to the following provisions of the NEQA:

- subsections 18.7 to 18.10 inclusive;
- subsections 18.11 and 18.12;
- subsections 18.13 to 18.16 inclusive.

2.1.8 (a) Subject to the fulfillment by Québec of its undertakings under Section 2.1.1 of this Agreement, Naskapis hereby renounce to any action, claim, petition, or other proceeding against Québec concerning the non-subjection in the past of mobile caribou hunting camps to the Naskapi right of first refusal referred to in paragraph 24.9.3 of the James Bay and Northern Québec Agreement and any past losses incurred by the Tuktu outfitting camps.

(b) Québec's acceptance of the renunciation in paragraph 2.1.8 (a) in no way constitutes an admission of responsibility on the part of Québec concerning the past application of the right of first refusal to mobile caribou hunting camps or concerning any past losses incurred by the Tuktu outfitting camps.

2.1.9 Québec and Naskapis undertake to negotiate an agreement dealing with the future management of mobile caribou hunting camps as well as the regularization of the current mobile camps transformed into permanent camps.

From the coming into force of this Agreement and for the entire duration of the negotiations, which shall not exceed 12 months, up to the coming into force of the ensuing agreement on the mobile camp regime, Naskapis agree not to institute any proceedings against Québec. This commitment on the part of Naskapis is limited to Québec's obligations arising from this paragraph 2.1.9.

* Registre des bénéficiaires cris, inuits et naskapis de la Convention de la Baie-James et du Nord québécois et de la Convention du Nord-Est québécois du ministère de la Santé et des Services sociaux.

2.2 Energy development projects

- Québec undertakes to pay annually to Naskapis in the proportions of 50% to NNK and 50% to NDC, 0.125% of the value of the annual production of megawatts produced by all energy projects except thermal, in the Naskapi Sector defined in Section 1.1.
- The value of megawatts produced will be based on the average annual sale price of electricity by Hydro-Québec in Canada and the United States.
- Québec will also encourage and facilitate the signing of agreements between Naskapis and energy (except thermal) development promoters concerning remedial measures and monitoring, employment and contracts in the Naskapi Sector defined in Section 1.1.
- NNK and NDC undertake to use these payments (hereinafter referred to as “Payments”) for economic and community development.
- Payments to be made shall be paid to NNK and NDC no later than September 1st of the corresponding year of the Agreement.
- NNK and NDC shall each submit to Québec on an annual basis, in the six (6) months following the close of each financial year, an annual report and audited financial statements, describing their respective activities and their respective use of the annual Payments.
- If these reports and these audited financial statements are not submitted by NNK or NDC within this time frame, Québec may submit the matter to the dispute resolution mechanism set out in this Agreement and, failing resolution through this means, may seek a court order allowing it to suspend subsequent share of Payments to the defaulting payee pending the submission of said annual report and audited financial statements. The suspended Payments will however be re-instituted retroactively, without interest, as soon as the report and audited financial statements have been submitted by the defaulting payee.
- Notwithstanding Section 5, the undertakings referred to in this section shall continue for each Project for twenty-five (25) years from the date each such Project commences to produce electricity.

2.3 Mining development

The geological context of the Naskapi Sector defined in Section 1.1 is conducive to the presence of minerals.

If any mining projects were to take place, Québec undertakes to encourage and facilitate the signing of agreements between Naskapis and the mining companies concerning remedial measures and monitoring, financial arrangements, employment and contracts.

3. IMPLEMENTATION OF THE PARTNERSHIP AGREEMENT

3.1 Québec and Naskapis agree to create a Standing Liaison Committee composed of two (2) representatives from Québec and two (2) from Naskapis. The number of representatives of this committee may be revised by the parties.

3.2 The Standing Liaison Committee will meet regularly.

3.3 The Standing Liaison Committee will have the following principal mandate:

- to ensure the harmonious implementation and efficient follow-up of this Agreement;
- to find mutually acceptable solutions to disputes arising out of the interpretation or implementation of this Agreement.

3.4 Generally, the parties will endeavor to avoid recourse to the judicial system for the purposes of the interpretation and implementation of this Agreement. For the purpose of implementing this Agreement, the parties agree to put in place a dispute resolution mechanism defined in Schedule A to ensure that recourse to courts or others forums only occurs as a last resort.

4. OTHER ISSUES

4.1 The following issues and other issues identified from time to time by the parties, will be addressed over the longer term:

- A. NEQA Section 13: renegotiation to make it consistent with Sections 94 to 104 of the *Police Act* (R.S.Q., c. P-13.1) and to adapt to experience acquired since 1978 and evolution of policing needs since that time.
- B. Financial support to use a Naskapi outfitting camp as wilderness healing lodge for at-risk youths and young offenders and, eventually, for adult offenders of minor crimes and other means of addressing the issue of Naskapis offenders in a culturally appropriate way.
- C. Hiring and training of Naskapi beneficiaries to fill two (2) full time and two (2) seasonal jobs of Wildlife Protection Officers.
- D. Adjustments to subsection 19.7 of NEQA and to other provisions of Section 19 of NEQA that do not have financial implications for Québec.
- E. Justice services: Translation of written motivated judgments (NEQA 12.3.3.2); Use of English in court proceedings so as to permit translation into Naskapi; Legal training and salaries for Naskapi translators (NEQA 12.3.3.1); Naskapi justices of the peace (NEQA 12.4.1); Information sessions about the legal system (NEQA 12.9); Recognition of Community Justice Initiative.
- F. Sachidun Childcare Centre: board and staff training, administrative support, building and spaces.
- G. Status of Fort McKenzie.
- H. Renegotiation of NEQA Section 11.

4.2 The Standing Liaison Committee will have also the mandate to address the issues in Section 4.1.

4.3 The ministre responsable des Affaires autochtones undertakes, within three months after the signature of this Agreement, to contact the ministre de la Culture, des Communications et de la Condition féminine to examine the funding possibilities within existing programs for the creation of a Naskapi Culture Development Fund.

4.4 The dispute resolution mechanism mentioned in Section 3.4 does not apply to Section 4.

5. DURATION OF AGREEMENT

The duration of this Agreement shall be twenty-five (25) years commencing on April 1st, 2009 and ending March 31st, 2034.

6. GENERAL PROVISIONS

- 6.1** The preamble to this Agreement forms an integral part of this Agreement.
- 6.2** This Agreement may be amended from time to time with the consent of Québec and Naskapis.
- 6.3** This Agreement does not constitute an agreement or treaty within the meaning of Section 35 of the *Constitution Act of 1982*.
- 6.4** This Agreement is subject to the laws applicable in Québec.
- 6.5** The payments foreseen in Sections 2.1.1 and 2.2 shall not be subject to any form of taxation, charge, levy or deduction by Québec.
- 6.6** No later than January 1st, 2031, the Parties shall begin the negotiation of a new agreement to replace this Agreement and shall make all reasonable efforts to reach a new agreement no later than December 31st, 2034.

7. INTERPRETATION

- 7.1** Nothing in this Agreement shall be interpreted in any way to prejudice the continued support of Québec for Naskapis to secure contracts with Québec or any of its agents, including the renewal of the contract presently in force with the Société de développement de la Baie-James for the maintenance of a part of the Transtaïga Road provided that the contract continues to be executed in a satisfactory manner, nor shall anything in this Agreement be interpreted to prejudice the support of Quebec for Naskapis to participate in and benefit from the economic development of the Territory as defined in Subsection 1.16 of the NEQA.
- 7.2** In order to ensure Quebec's continued support, Naskapis may, from time to time, communicate with the ministre responsable des Affaires autochtones to discuss current and future business opportunities in the Territory as defined in Subsection 1.16 of the NEQA.
- 7.3** There shall be a French and an English version of this Agreement, both of which shall be authoritative.

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED IN _____ ON
THIS _____.

FOR THE GOUVERNEMENT DU
QUÉBEC:

Pierre Corbeil,
Ministre responsable des Affaires
autochtones

Claude Béchar,
Ministre responsable des Affaires
intergouvernementales canadiennes et de
la Réforme des institutions démocratiques

FOR NASKAPIS:

Louis Einish,
Chief, Naskapi Nation of
Kawawachikamach

Edward Shecanapish,
President, Naskapi Development
Corporation

SCHEDULE A
SETTLEMENT OF DISPUTES

SCHEDULE A

SETTLEMENT OF DISPUTES

INTRODUCTION

Generally, the parties will endeavor to avoid recourse to the judicial system for the purposes of the interpretation and implementation of this Agreement. To this end, the parties agree to put in place a dispute resolution mechanism to ensure that recourse to courts or other forums only occurs as a last resort.

DEFINITION

For the purposes of this dispute resolution mechanism, a dispute is defined as any controversy, claim or disagreement arising out of the interpretation or implementation of this Agreement and which is formally raised by any of the parties for these purposes.

PARTIES TO THE DISPUTE

The only parties authorized to bring disputes for resolution under the present dispute resolution mechanism are the following: either one or both of Naskapis' signatories and le Gouvernement du Québec hereinafter referred to as "Parties to the dispute".

PROCEDURE TO BE FOLLOWED WITH RESPECT TO RESOLUTION OF DISPUTES

The Parties to the dispute will endeavour in good faith to settle the dispute through cooperation and consultation in order to arrive at a mutually satisfactory solution.

Failing resolution by the Parties to the dispute themselves within 30 days, the dispute shall be referred for resolution to the Standing Liaison Committee established pursuant to the provisions of Section 3 of this Agreement.

Failing resolution by the Standing Liaison Committee within 30 days, the dispute shall be referred to an independent and impartial third party for mediation as hereinafter set out:

- a) the mediator shall be chosen jointly by the Parties to the dispute, and failing agreement, by a Judge of the Superior Court, upon application to the court;
- b) the Parties to the dispute shall each submit to the mediator their views on the issue in dispute;
- c) the Parties to the dispute undertake, that as a condition of the mediation process, to renounce to any prescription acquired and to agree that prescription (if applicable) of any right, claim or matter which is the subject of the dispute shall be interrupted and shall, if necessary, be specifically renounced from time to time until the mediator declares the mediation process to be at an end;
- d) the mediation process and all proceedings in connection therewith shall be and will remain confidential;
- e) the mediator shall not issue a Report or make any recommendations unless authorized to do so by all the Parties to the dispute;

- f) any Party to the dispute may request that the mediator terminate the mediation process when there are reasonable grounds to believe that, despite the best efforts of the Parties to the dispute acting in good faith, no settlement is likely to be reached in the dispute through mediation or if no settlement is agreed upon 90 days after the nomination of the mediator.

Each Party to the dispute will assume its expenses related to the mediation. 50% of the expenses and fees of the mediator will be supported by Québec, and 50% by either one or both of Naskapis' signatories as the case may be.

SCHEDULE B
INDEXING FORMULA

SCHEDULE B

1. INDEXING FORMULA

From April 2012, the amount paid in 2011-2012 by the Gouvernement du Québec to NNK and NDC for the funding for community and economic development projects under Section 2.1 of this Agreement will be adjusted by applying the following formulas:

- **For 2012 - 2013**

$$\left(1 + \left[\left[\frac{\text{CPIQ2012} - \text{CPIQ2011}}{\text{CPIQ2011}} \right] + \left[.20 \times \left[\frac{\text{NaP2012} - \text{NaP2011}}{\text{NaP2011}} \right] \right] \right) \times \text{NTP} = R_1$$

- **For 2013 - 2014**

$$\left(1 + \left[\left[\frac{\text{CPIQ2013} - \text{CPIQ2012}}{\text{CIPQ2012}} \right] + \left[.40 \times \left[\frac{\text{NaP2013} - \text{NaP2012}}{\text{NaP2012}} \right] \right] \right) \times R_1 = R_2$$

- **For 2014 - 2015**

$$\left(1 + \left[\left[\frac{\text{CPIQ2014} - \text{CPIQ2013}}{\text{CPIQ2013}} \right] + \left[.60 \times \left[\frac{\text{NaP2014} - \text{NaP2013}}{\text{NaP2013}} \right] \right] \right) \times R_2 = R_3$$

- **For 2015 - 2016**

$$\left(1 + \left[\left[\frac{\text{CPIQ2015} - \text{CPIQ2014}}{\text{CPIQ2014}} \right] + \left[.80 \times \left[\frac{\text{NaP2015} - \text{NaP2014}}{\text{NaP2014}} \right] \right] \right) \times R_3 = R_4$$

- **For 2016 - 2017**

$$\left(1 + \left[\frac{\text{CPIQ2016} - \text{CPIQ2015}}{\text{CPIQ2015}} \right] + \left[\frac{\text{NaP2016} - \text{NaP2015}}{\text{NaP2015}} \right] \right) \times R_4 = R_5$$

- **From 2017 – 2018 to 2033 – 2034**

From April 2017 to the end of Agreement, the indexing formula applied in 2016-2017 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 on April 1st of a given year.
- NaP means: the Naskapi population on April 1st of a given year.
- NTP means: Naskapi Third Payment, and the basic amount to be adjusted in 2012-2013.
- R1 means: the result of the indexing for 2012-2013 and the amount to be indexed for 2013-2014.
- R2 means: the result of the indexing for 2013-2014 and the amount to be indexed for 2014-2015.
- R3 means: the result of the indexing for 2014-2015 and the amount to be indexed for 2015-2016.
- R4 means: the result of the indexing for 2015-2016 and the amount to be indexed for 2016-2017.
- R5 means: the result of the indexing for 2016-2017 and the amount to be indexed for 2017-2018.

2. DATA SOURCES USED

The data sources used will be the following:

- Naskapi Population

Registre des bénéficiaires cris, inuits et naskapis de la Convention de la Baie-James et du Nord québécois et de la Convention du Nord Est québécois du ministère de la Santé et des Services sociaux.

- Consumer Price Index for Québec (per month)

Statistics Canada, CANSIM, Overall Index, Table 326-0020.