

Building on Partnerships with Indigenous Communities

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Abstract

This article highlights basic elements of Hydro-Québec's past experience in working out partnerships with Indigenous communities. The aim of this text is two-fold: on the one hand, we will demonstrate how eight different hydropower projects have become an opportunity to tailor various forms of partnerships according to particular community features. On the other hand, we intend to point up how partnerships evolve over time by nurturing a long-term relationship with the same community. For example, partnerships formed together with representatives from the Cree community evolved from an agreement to implement jointly remedial works in 1992 to an agreement on joint planning, studying, implementing and operating of hydropower projects in 2002.

Thirty years of continuous efforts invested in establishing sustainable relations with Aboriginal communities have led Hydro-Québec to identify success factors. Since local needs and value systems can be very different from community to community and over time, it has turned out to be inappropriate to set rigid guidelines or frameworks. However, according to its experiences, the utility has established three essential conditions to be met by all future projects. New projects will only be built if they are

- profitable under market conditions
- environmentally acceptable, and
- well received by the local communities

Furthermore, the process of intensive negotiations with local communities reveals several key components that are always part of a mutually beneficial agreement.

The most important cornerstone for building partnerships remains respect—respect of individuals, local traditions, different value systems, commitments and, of course, legal frameworks. This also encompasses respecting basic principles of democracy, such as negotiating with elected community representatives, relying on a transparent decision-making process guided by majority approval, offering choices and establishing priorities. Further to these core values, a set of general principles is underlying successful partnerships: dedication to a long-term relationship, mutual high-level commitment, the offer of opportunities for community development, flexibility, practicing two-way communication to enhance mutual knowledge and understanding, financial compensation of residual impacts, capacity building and participatory decision-making.

Despite the fact that means to implement agreements have to remain adaptable, there are several mechanisms that have proven to be powerful tools to craft partnerships: continuous forum for exchange, mechanisms to prevent and resolve discords, the establishing of priorities through public hearings, privileged exchanges among high-level decision-makers, measures to favour traditional activities, the planning and implementation of remedial works together with affected people.

Indeed, partnerships are formalized by an agreement. However, agreements are not an end unto themselves. They are a means to translate principles shared by both partners into suitable actions providing development opportunities that are mutually beneficial. Not only do they record negotiated outcomes, but, at the same time, they also capture the spirit of cooperation characterizing a given era and particular value systems. Agreements are like lighthouses shedding light on the way forward, benchmarking the path for sustainable development of natural and human resources.

1. Introduction

"There is no one-size-fits-all solution!"

(Denis Roux, Manager—Relations with Aboriginal Communities)

As a driving force for sustainable development, Hydro-Québec cares much about the harmonious integration of all its infrastructures into their natural and human environment. The favourable reception of power facilities by local communities has become a prerequisite. Therefore, Hydro-Québec works closely together with communities to make sure that projects, which will benefit the province's entire population, will also be acceptable to local host communities who will have to cope with the social and physical modifications initiated by this very project.

After having portrayed the general context in which Hydro-Québec is operating, this article summarizes basic elements of the utility's participatory approach and illustrates, using case studies, the various forms that partnerships can take with local communities.

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Hence we will present at the beginning and at the end of the following case study section experiences revealing the evolutionary dimension of partnerships with two specific communities. At the outset, the probably most progressive and comprehensive form of partnership has recently been set up with representatives of the Cree community. Partnership relations between Hydro-Québec and the Cree have been evolving from negotiating a renown land claim settlement treaty in 1975, the James Bay and Northern Québec Agreement (JBNQA)¹, to an agreement to

¹ The *James Bay and Northern Québec Agreement* (JBNQA) was signed in November 1975 by the Government of Canada, the Government of Québec, Hydro-Québec, the James Bay Energy Corporation (a subsidiary of Hydro-Québec), the James Bay Development Corporation, the Cree and the Inuit.

The JBNQA is a landmark agreement in Aboriginal land and land-use claims. It established mechanisms for mitigating the environmental impacts of hydroelectric projects and activities and for supporting traditional economic pursuits. However, the agreement was first and foremost a social contract between Aboriginal nations and the government; only one chapter out of thirty actually deals with hydroelectric development.

The JBNQA took two years of intense, exhausting high-level negotiations to hammer out. Since then, this trail-blazing agreement has shaped relations not only between Hydro-Québec and the Cree, but also between other governments and indigenous nations in Canada.

compensate residual impacts and implement jointly remedial works in 1992, *the Opimiskow-La Grande Agreement*, to achieve an agreement on joint planning, studying, implementing and operating of hydropower projects, *the Boumhounan Agreement*, signed in 2002. Section 3 will provide more detailed information on these two types of partnerships. Then, in Section 4, a variation of the joint venture formula will be presented like it was hammered out with the Innu community of Uashat Maliotenam on Québec's North Shore within the context of the Sainte-Marguerite-3 project. Through this *Uashat Mak Mani-Utenam* agreement, the Innu community started to use again the back country, hence renewing its cultural roots and traditions. Section 5 will look at a financial partnership, which was created with the Innu community of Betsiamites in the context of three partial river diversions and the Touloustouc project. The *Pesamit Agreement* is a benefit-sharing initiative through revenue sharing and the establishment of a joint venture company. Finally, the evolution of partnerships formed with the Innu community of Mashteuiatsh, demonstrates in Section 6 how an Indigenous community can be enabled to even realize their own hydropower project and develop major entrepreneurial skills over time.

In conclusion, essential components that can be found in all of Hydro-Québec's partnership initiatives are summarized.

Figure 1: Overview—Location of hydropower projects that offered the opportunity to work out agreements with the following Indigenous communities:

Hydropower Project	Agreement	Indigenous Community
Laforge-1	<i>Opimiskow-La Grande</i>	Cree
Eastmain-1 A / Rupert	<i>Boumhounan</i>	Cree
Sainte-Marguerite-3	<i>Uashat Mak Mani-Utenam</i>	Innu - Uashat-Maliotenam
Three partial diversions of the Manouane, Sault aux Cochons and Portneuf River including Touloustouc (see Figure 4 in Section 5 for more details)	<i>Pesamit</i>	Innu -Betsiamites
Minashtuk^o, Manouane and Péribonka	<i>Minashtuk^o</i> <i>Mashteuiatsh (2001)</i> <i>Manitukapatakan</i>	Innu - Mashteuiatsh

1.1 Corporate Profile of Hydro-Québec

Snapshot of Hydro-Québec:

- **Government owned**
- **Total installed capacity:**
33,616 MW (31,346 MW of hydro)
- **32,539 km transmission lines**
- **106,830 km distribution lines**
- **~ 21,800 employees**
- Average Annual Revenue (2001-2003) ~ **C\$12 billion**
(= US\$8.6 billion)
- **Tariff: 4.2 CDN cents/kWh**
(= 3.2 US cents/kWh)

Hydro-Québec is a leading producer of renewable energy and a major North American distributor. Its generating facilities have an installed capacity of 33,616 MW, with water power producing 93% of its total energy output. The power system includes 32,539 km of transmission lines and more than 106,830 km of distribution lines. Hydro-Québec's core mission is to supply Quebecers with sufficient electricity to meet their needs, under the best possible conditions. Hydro-Québec also does business with numerous electric utilities in the northeastern United States and Canada, mainly short-term electricity sales and purchases. These transactions increase the security of Hydro-Québec's own electricity supply while generating additional revenue. Hydro-Québec is known worldwide for its expertise, particularly in the areas of hydroelectric generation and high-voltage transmission. It maintains an active presence abroad, owning, building and operating facilities in South America, Australia, the United States and China for



example. Hydro-Québec has a single shareholder, the Government of Québec. The public utility recorded consolidated sales of C\$11.4 billion in 2003 and serves more than 3.6 million customers.

Hydro-Québec performed its first environmental impact assessment (EIA) study in 1972, six years before any regulatory requirements made them compulsory. Since then, the utility has produced more than 10,000 environmental study reports and invested more than C\$1 billion in environmental mitigation and compensation measures.

1.2 The Province of Québec

The province of Québec occupies a territory of approximately 1,625,000 km², which corresponds to three times the area of Spain. About 10% of Quebec's landscape is covered by freshwater. There are more than 130,000 rivers and about one million lakes in Québec. The province is inhabited by more than 7,000,000 people, including approximately 80,000 Indigenous People living in fifty-four Indigenous communities (including fourteen Inuit communities).

1.3 Historic Background

In the 18th and 19th centuries, the practice of the British Crown with regard to First Nations was to sign treaties under which ancestral rights were extinguished in return for compensation and specific rights. Thus, under British rule, it was a general, though not systematic, practice in Canada to sign treaties by which the First Nations surrendered title to their ancestral lands. In Québec, this practice of signing treaties was not adopted due in part to the previously established French regime.

The end of the Second World War brought with it a period of profound change in Canadian society: population explosion, expansion of city boundaries and strong industrial growth. In order to ensure that all Quebecers benefited from electric services at the lowest rates, electricity generation, transport and distribution was nationalized through the creation of a public utility in 1944: Hydro-Québec. As these changes intensified and accelerated in the late 1950s, Hydro-Québec responded by undertaking new hydropower development, including the Manic-Outardes hydroelectric complex on the north shore of the St. Lawrence River. However, at these times, it was not current practice to consult the public about these projects and the issue of Aboriginal rights was not addressed.

During that period, the Canadian government considered that Aboriginal rights, Indian status and treaties were things of the past. In a white paper published in 1969, the Federal Department of Indian Affairs and Northern Development proposed abolishing Indian status and having Indigenous People join the mainstream of Canadian society. Indigenous organizations across Canada opposed this approach and instead demanded the respect of past treaties and of Aboriginal rights. At that time, the territory of the Province of Québec had not been the object of treaties settling land claims and Aboriginal rights of Indigenous Peoples.

In February 1971, the Dorion Commission published its report on the integrity of the territory of Québec. The Commission stated that under the federal Québec Boundaries Extension Act of 1912, which extended the Province of Québec by integrating the contiguous territory north of the Eastmain River, the provincial government had to recognize the land rights of the Indigenous Peoples who inhabited this vast northern region and obtain the surrender of these rights before

developing the new territory. The Commission's recommendations were well received by Québec's Indian Association, which had signed an agreement the previous year with the provincial government that guaranteed Indigenous Peoples the right to hunt and fish for subsistence, but did not address the issue of land claims.

2. Keys to Sustainable Partnership

At the heart of Hydro-Québec's participatory approach are two fundamentals:

- **respecting the basic principles of democracy**, such as transparency, openness, fairness, negotiation with elected representatives and reverence to majority decisions, and
- **continuous dialogue**, based on two-way communication as a means to share knowledge and foster mutual understanding.

Moreover, all people involved will have to adopt some prime values that transcend all business relations: RESPECT, GOOD WILL and COMMITMENT, where respect plays a central role at various levels regarding

- individuals
- different value systems
- community choices and priorities
- commitments made
- legal and regulatory requirements
- democratic decision-making process

Moreover, in a spirit of sustainable development, three self-imposed essential conditions must be met for Hydro-Québec to undertake any new project. It must be

- profitable under market conditions
- environmentally acceptable
- well received by local communities

Regarding the last of these three conditions, Hydro-Québec proposes a partnership with local communities affected by new energy projects, including Indigenous communities. The partnership approach reflects Hydro-Québec's business priorities as well as the readiness of Indigenous communities to pursue their own interests.

A partnership provides a flexible framework through which local Indigenous and non-Indigenous communities can make a project theirs - at the intellectual, material and financial levels. The utility assumes the financing, construction and operation of the project. Design work and measures to minimize negative impacts and to maximize positive outcomes are carried out in consultation with local communities. For Hydro-Québec, partnership agreements substantiate local acceptance of a project, thereby reducing the level of risk and the costs of a lengthy project-planning and authorization process. For the local communities, the partnership is a tool for collective enrichment and recognition that wide-ranging project benefits generated from local and regional resources will flow back into the community.

The following case studies will show different types of partnership agreements Hydro-Québec signed with four Indigenous communities.

3. Partnerships Crafted with the Cree Community

Partnerships formed together with representatives from the Cree community evolved from the JBNQA in which Hydro-Québec's projects and remedial measures were dealt with in a much broader social contract type of an agreement to an agreement that aimed at implementing jointly remedial works in 1992, the so-called Opimiscow-La Grande Agreement, to an agreement on joint planning, studying, implementing and operating of hydropower projects, the Boumhounan Agreement signed in 2002.

After a brief description of general features characterizing the community and the region, this section will provide more detailed information on the underlying projects and tools used to build these type of partnerships.

3.1 General Information

Northern Québec (approximately 1 million km²) is occupied mainly by the Cree, the Naskapis and the Inuit. Non-Indigenous communities live in the most southerly part of the James Bay territory, which covers approximately 400,000 km² between the 49th and 55th parallels.

The Cree community has approximately 13,000 people and is spread over nine villages. The members of these nine villages use approximately 370,000 km² of the James Bay territory, a land they call Eeyou Istchee. The chief of each Cree community is elected by the members of the band and the Grand Chief of the Cree nation is elected through universal ballot among the Cree.

The whole region is part of the Canadian Shield, a 2.5-billion-year-old geological formation of igneous and metamorphic rock. The successive passage of glaciers has significantly altered regional topography. The eastern sector features hilly terrain and numerous lakes, with a cold continental climate. The minimum average temperature is approximately -23°C in January with peaks down to -50°C and a maximum average temperature of around 14°C in July. The vegetation is of the Northern taiga type. The low evergreen forest is mainly composed of black spruce, tamarack and jack pine. Peat bogs are also abundant in the region. These vast open areas, as well as the dense network of rivers and lakes, host numerous nesting grounds for duck and geese, which are of great interest to Cree hunters.

3.2 The Opimiscow-La Grande Agreement: A joint venture to implement successful remedial measures to preserve land use opportunities

A large-scale program aimed at the implementation of remedial measures was jointly carried out by Hydro-Québec and the Cree in connection with the development of Laforge-1 and Laforge-2 hydroelectric projects in the northeastern sector of the James Bay territory (see map below). This venture required setting up a framework in the form of a jointly operated non-profit corporation, the Opimiskow-Sotrac company. The remedial works were determined with Cree users of the territory. The five-year Remedial Works Program implemented an array of measures reflecting the priorities of Cree hunters—improving territory access for the pursuit of traditional activities, mitigating impacts of the projects on wildlife habitats and setting up the infrastructure needed to carry out the work. This program also allowed Cree workers to acquire significant skills.

Figure 2: Location of the James Bay Territory and the Laforge-1 Project in Northern Québec

3.2.1 Project Description

The Caniapiscou-Laforge Diversion, located in the northeastern sector of the James Bay territory, is an important part of the La Grande complex. When this 230-km-long Caniapiscou-Laforge diversion was commissioned in 1984, its purpose was essentially to channel water from the upper Caniapiscou basin to the La Grande River and its generating stations. In 1989, a second construction phase was undertaken to develop the remaining hydroelectric potential of that stretch. This complementary development included the construction of three generating stations with a total installed capacity of 1,700 MW and also called for the impoundment of a new reservoir, the construction of additional power lines and access roads.

No permanent native settlement exists in the vicinity of the Caniapiscou-Laforge Diversion. Traditionally, the area's wildlife resources have been harvested by Cree hunters from the Chisasibi community—a 3,500-person community on the east coast of James Bay, some 500 km west of the Caniapiscou-Laforge Diversion. The ancestral Cree hunting territory is loosely governed by family units. Nowadays, most Chisasibi hunters go to their eastern hunting territories on a seasonal basis and participate in goose hunting in fall and trapping in late fall, caribou hunting and trapping in winter, waterfowl hunting and fishing in spring, and fishing in summer.

The Laforge-1 development involved the creation of a new reservoir that covers approximately 1,300 km². It has an average depth of 5.6 m and is dotted by over a thousand islands and islets. This impoundment brought about flooding of prime riverside habitat and waterfowl nesting sites. In addition to the loss of trapping and hunting grounds, it also created significant navigation and access problems for Cree users.

Besides the creation of a vast and shallow reservoir, another significant environmental issue in the Laforge-1 development was the diversion of the Vincelotte River. This 75 km-long river stretch was to be partially dried up following the construction of the Vincelotte dam. The flow at the mouth of the Vincelotte River was to be reduced by about two-thirds, from its original 67 m³/s to 21 m³/s. As a result, the average water level would be lowered by one to two meters in the various river sections.

3.2.2 The Opimiscow-La Grande Agreement

In 1992, the Cree and Hydro-Québec signed the *Opimiscow-La Grande Agreement*, in which they agreed upon remedial measures to be implemented in the area of the Caniapiscou-Laforge Diversion to correct the impact of the projects or to compensate for the loss of harvesting areas by increasing the carrying capacity and enhancing habitats around the project sites.

For this purpose, Hydro-Québec agreed to provide the Cree with a C\$25 million Remedial Measures Fund. The parties also agreed to create a non-profit corporation called Opimiscow-Sotrac company in order to carry out the remedial works.

3.2.3 The Opimiscow-Sotrac Company

The Opimiscow-Sotrac company's mandate was to study, plan, evaluate, authorize and carry out the various remedial measures required to achieve the following goals:

- facilitating the pursuit of native traditional activities
- alleviating the negative impacts of the hydroelectric projects
- facilitating the use by the Cree of the area affected by the projects
- preserving the productivity as well as the biological and visual quality of the environment
- restoring wildlife habitats

The board of directors of the Opimiscow-Sotrarc company had six voting members. Three were appointed by the Cree and the other three by Hydro-Québec. Any resolution taken by the board had to have the consent of the majority, including at least one member of each party. The Opimiscow-Sotrarc company also relied on the services of a secretary and a general manager.

A major issue for the Opimiscow board of directors was to provide an efficient framework of cooperation between the Cree and Hydro-Québec, which was achieved using the following consultation process:

- 1) affected users were supplied with the appropriate information (maps, technical advice, etc.)
- 2) the general manager consulted users about desirable projects
- 3) users' recommendations were forwarded to the board, which approved and oversaw the execution of the initiatives.

Mandating an Indigenous company with project management responsibilities

According to the Opimiscow-La Grande Agreement, remedial measures, as a general rule, were to be carried out by Cree entities. In compliance with this provision, Chee-Bee Cree Construction (CBCC) was chosen to do the work. CBCC is a joint venture formed by Chisasibi-based Chee-Bee Construction and the Cree Construction and Development Company Ltd.

Beyond its role as project manager, CBCC was also responsible for financial budgeting and planning, supply and coordination of logistics services to the other participants and quality control. From the very beginning, CBCC was involved as technical advisor for the planning and selection of remedial measures.

CBCC maintained permanent and temporary facilities on the territory to cope with the remoteness of the area. The construction of a permanent camp (shown below) was necessary given the magnitude and the duration of the work. These infrastructures are now managed by the Cree as tourist accommodations.

Capacity building

A training program was given during the first four years to favour the development of human resources and the goals sought by CBCC. All programs were essentially coaching-based.

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The following table shows the types of jobs involved and the length of the training sessions.

Personnel Training					
<i>Job Title</i>	<i>Number of Weeks</i>				
	1993	1994	1995	1996	Total
Assistant project manager	12	-	22	-	34
Assistant coordinator	-	-	11	21	32
Camp manager	-	-	-	13	13
First and assistant cook	-	20	38	-	58
Administrative clerk	12	9	16	19	56
Maintenance men/camp	-	22	19	23	64
Mechanic/small tools	12	-	-	-	12
Foreman/mechanic piling	-	14	-	-	14
Apprentice tallyman	-	-	-	9	9
Total	36	65	106	85	292

The success of the on-the-job training programs prompted CBCC and the employees involved to further develop their skills, via the following activities:

- Training sessions with the Chee-Bee Cree Construction and the Cree Construction and Development Company
- Winter land surveying courses
- First-aid courses in remote areas
- Cooking courses

These courses were financed by CBCC and local organizations.

The results of these training programs were very positive. Many employees took advantage of the opportunity to develop or to improve their skills and were subsequently able to find permanent jobs in their community.

Implementation of remedial measures

Generally speaking, the remedial measures established by Cree users involved improvement of access to the territory and harvesting conditions or enhancement of wildlife habitats. The two major areas where remedial measures were undertaken are Laforge-1 Reservoir and the Vincelotte River. The mitigation works carried out in each of these sectors were determined by considering the scope of the impacts and the enhancement possibilities of the local environment.

***** Note to the editor: this table might be skipped if you need to gain space *****

The following is a more detailed description of the remedial works developed by the Opimiscow-Sotrac company:

Accessibility and use of the territory

- Building access roads, weirs and boat launches near Laforge-1 Reservoir and along the Vincelotte River
- Cleaning and marking navigation corridors and pre-selected shore sections for boat landings in the area of the future Laforge-1 Reservoir prior to impoundment
- Clearing net fishing areas prior to impoundment of Laforge-1 Reservoir
- Building portages with hauling structures along the Vincelotte River
- Excavating navigation channels in shallow stretches of the Vincelotte River
- Clearing traditional portages around Laforge-1 Reservoir to facilitate travel to neighboring hunting territories

Enhancement of wildlife habitat

- Deforesting vast areas around Laforge-1 Reservoir (50 to 250 ha) to recreate an open waterfowl habitat (complementary topsoil tilling, seeding of grassy plants and creation of shallow wet zones)
- Building weirs (4) along the Vincelotte River to raise water levels and restore fish habitat (facilitating navigation was a secondary objective)
- Seeding grassy plants on newly exposed parts of the shore of the Vincelotte River and mechanical control of invading shrubs
- Clearing islands in Laforge-1 Reservoir to create nesting habitats for waterfowl and seagull

- Clearing summit of hills around Laforge-1 Reservoir to create snow goose migration staging areas
- Felling of dead wood and clearing of ligneous debris on the reservoir shores
- Mowing of berry plants

3.2.4 Summary Assessment

The remedial measures of the Opimiscow program took place over five summer periods, from 1993 to 1997. The positive and active approach of the promoter, the Opimiscow-Sotrac company, and the master builder, Chee-Bee Cree Construction (CBCC), promoted innovative joint management activities. Mitigation measures were determined through ongoing consultation with territory users. These consultations were carried out by three groups of participants: the board members of the Opimiscow-Sotrac company, Cree users and CBCC staff.

Given their interest in the project, a large number of Cree participated in the remedial measures program, which contributed to the success of the training programs. The CBCC's dynamic approach also favoured technology transfers for the benefit of Cree workers. At the end of the five-year program, many CBCC employees found jobs in their communities in their fields. Several are now qualified to supervise major work sites, isolated camps and forest crews. Participants are justifiably proud of the program's success and the skills they have developed.

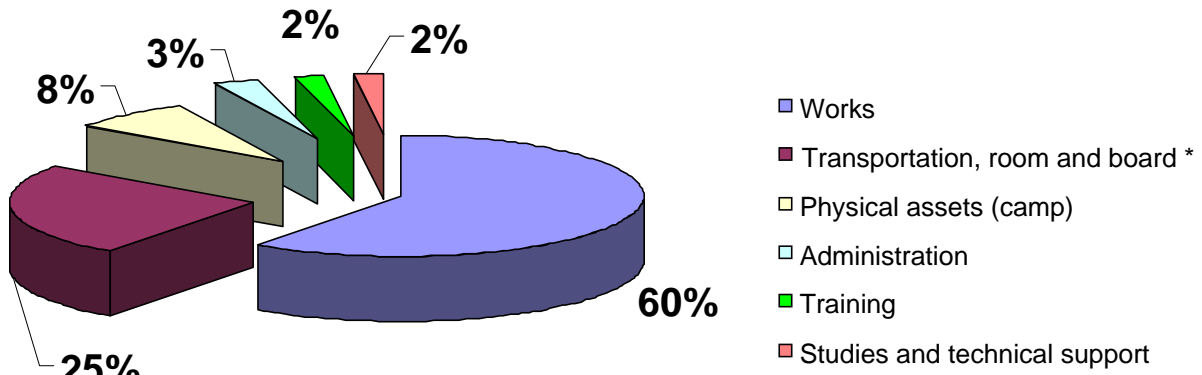
Throughout the program, employees felt that they were fully involved in selecting the initiatives and work methods to be used as well as in performing the actual work. Their excellent knowledge of the territory allowed mistakes to be avoided and appropriate modifications to be made based upon their recommendations.

Overall, the remedial measures program shows highly positive results and the area now boasts new infrastructure to facilitate hunting, fishing and trapping activities.

Many of the environmental initiatives are innovative and very positive. Most of the wildlife deforestation, weir construction, waterfowl management areas, and grassy plant seeding measures have been successful, even if some of the experimental work, such as the creation of wet zones with low dikes, did not meet all expectations. The intensive use of waterfowl management areas shows the relevance of these initiatives.

The following breakdown of the C\$25 million budget shows that most of the money has been used for the development of environmental protection and enhancement measures, demonstrating the efficiency of the joint management mode set up to implement the program.

Breakdown of the C\$25 million budget (%)



* The fraction of the budget devoted to logistics is due to the remoteness of the general work area as well as the need to use special transportation means, such as helicopters.

Source: CBCC/Opimiscow-Sotraco company. 1998. Overview Report. Remedial Measures 1993-1997. Laforge-1 Reservoir, Vincelotte River, Lac des Oeufs.

A follow-up assessment of the Opimiscow-La Grande Agreement remedial measures took place in 1999, and a general assessment of the lasting quality of the remedial works and infrastructure built during the program was done. Hydro-Québec retains the responsibility and maintains these structures and enhancements.

This follow-up of remedial measures confirmed that the infrastructure built by the Opimiscow-Sotraco company for the benefit of the Cree was indeed being used. Since 1995, Cree trappers have built a dozen permanent cabins along the 9-km access road to the Vincelotte River, among others. Lastly, a valuable by-product of the Opimiscow Remedial Works Program has turned out to be the 100-person permanent camp built in 1993 to accommodate program participants. This camp was sold for the symbolic amount of C\$1 to the Cree community of Chisasibi and recycled for tourism in 2001. A Chisasibi-based Cree company now offers caribou hunting packages at Kiskimaastakin Camp (“the Portage” in Cree) and is considering developing sport fishing packages.

Given the active involvement of Cree trappers and the primacy of their recommendations in the Opimiscow decision-making process, it was to be expected that mitigation measures and works would be oriented toward environmental components and species of particular interest for traditional activities. This approach also provided the opportunity to experiment with innovative remedial measures. Among others, the creation of large open areas around the new Laforge-1 Reservoir was very effective in replacing lost waterfowl riverine habitats, thus preserving biodiversity in an area directly impacted by the hydroelectric development. The infrastructure built to facilitate access to the territory for the Cree has also been beneficial and is helping maintain traditional activities in this region.

Hydro-Québec’s approach with respect to mitigation measures opened the door to the active involvement of local communities in this respect. Close involvement of Cree users in the determination and implementation of the Opimiscow remedial measures not only guaranteed the compatibility of these measures with the pursuit of their traditional activities, but also confirmed

their role as partners in the development and involved them in the sharing of financial and material benefits.

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Pictures to illustrate Section 3.2

- Typical Peat bog in the Northern taïga
- Permanent work camp – Kiskimaastakin (*The Portage” in Cree*)
- *Cree workers building a weir on the Vincelotte River*
- Portage with hauling structure, Vincelotte River
- Cree worker deforesting waterfowl area
- Cree seeding grass in waterfowl area, Laforge-1 Reservoir

Pictures used with the permission of the Opimiscow-Sotrac company

3.3 The Boumhounan Agreement

A partnership based on joint planning, studying, implementing and operating of hydropower projects

3.3.1 Project Description

In the late 1990s, Hydro-Québec proposed the Eastmain-1-A and Rupert diversion project, which calls for a powerhouse with a potential installed capacity of approximately 770 MW. As shown in Figure 3 on the next page, this project also involves the partial diversion (approximately 600 m³/sec) of the Rupert, a river with an average annual flow of about 870 m³/sec, which has great cultural value for the Crees. Since the diverted water from the Rupert River would be transferred hundreds of kilometres further north towards the mouth of the La Grande Rivière, the areas potentially affected by this project do involve parts of the territories used by six of the nine Cree communities living in Québec's James Bay region. The EM-1-A/Rupert diversion project would represent an additional power gain of up to 12.6 TWh/year for Hydro-Québec, including downstream generation of the diverted flow at existing facilities.

Figure 3: Map of the potential Eastmain 1-A/Rupert hydropower development

Picture: Cree and non-Aboriginal workers working together

3.3.2 Negotiation of an Agreement

The Boumhounan Agreement was signed on the same day that "La Paix des Braves" (translation: The peace of braves) agreement was signed by the Government of Québec and the Cree Community.

Hydro-Québec's Share in Negotiations

Over a period of four years starting in 1997, Hydro-Québec held information sessions in Cree communities that would be directly affected by the Eastmain project. Informal and formal meetings were held between Hydro-Québec senior managers and Cree leaders to see whether, within the framework of a partnership, the Crees would be interested in investing in the newly proposed Eastmain project and in receiving their share of revenues and profits from the project. Preliminary technical investigations required for that project conception were carried out jointly by Hydro-Québec and Cree communities.

Hydro-Québec's approach of not trying to impose the project, but of rather seeing it well received by the Cree within the context of a partnership, was positively perceived. Chiefs of Cree communities that would be affected by the new proposed project invited Hydro-Québec representatives to meet with them and their members in public assemblies. These meetings also

provided an opportunity for the Crees to have their voices heard. At times, certain Crees were very vocal against the proposed project, but Hydro-Québec always maintained that it would not impose the project against the will of the Cree communities. Although, by 2001, Hydro-Québec had not yet received a response to its proposal from the Crees, the company had never received a direct refusal from the Cree leadership.

The Government's Role in Providing a Favourable Framework – "Paix des Braves"

In 2001, negotiations were also taking place behind closed doors between the Government of Québec and the Crees to solve their dispute concerning the implementation of the James Bay and Northern Québec Agreement (JBNQA). The Crees still had unsettled multi-billion-dollar lawsuits against Canada, Québec and developers, such as Hydro-Québec and forestry companies.

On October 21, 2001, the Crees and the Government of Québec announced that they had reached an agreement-in-principle for settlement of their disputes (that would be formalized as the "Paix des Braves" Agreement) and for the provision to the Cree of \$C3.5 billion over a 50-year period. This agreement-in-principle also contained provisions regarding hydroelectric, mining and forestry development. The Crees also consented to the carrying out of the initial Eastmain-1 project already authorized by the JBNQA, signed in 1975, and the Eastmain 1-A/Rupert project (variant 314), provided that the latter is subject to the environmental and social protection regime and the provisions of Section 22 of the JBNQA.

Before the signing of these agreements, a wide-ranging consultation of the Cree people, conducted by the Crees, took place, and a Cree nationwide referendum was held. The Crees came out in large numbers for the vote: 4,479 people participated in the referendum. By way of comparison, 3,398 people had voted in 1999 to elect the Grand Chief of the Crees and 2,379 people had voted in the Canadian federal election in 2000. Of those who voted, 69.35% voted for the signing of the agreements and 30.65% against.

It was in this new socio-political context that the Crees and Hydro-Québec finalized negotiations on the terms of the Nadoshtin Agreement in connection with the Eastmain-1 project and the *Boumhounan Agreement* in connection with the Eastmain 1-A/Rupert project, as well as seven other agreements. These agreements were mentioned in the "Paix des Braves" agreement and were signed on February 7, 2002, by the Government of Québec and by the Grand Council of the Crees (Eeyou Istchee). Under the terms of these agreements, the Crees gave free, prior and informed consent to pursue the construction, operation and maintenance of both the Eastmain-1 project and the Eastmain-1-A/Rupert project in a manner respectful of the Cree way of life and the environment. However, the Eastmain-1 A/Rupert project will be subject to a stringent impact assessment regime in which the Crees are represented, along with the provincial and federal governments.

3.3.3 Benefit-Sharing Mechanism

Under the terms of the "Paix des Braves" agreement negotiated between the Government of Québec and the GCC, the Cree Nation of Québec will benefit from annual payments of at least \$C70 million over a period of 50 years to meet their economic and community development needs. These annual payments correspond to a transfer of provincial government obligations and

related funding under the terms of the JBNQA to the Cree Nation of Québec as well as royalties on natural resources. From 2005 to 2052, annual payments will be indexed according to the value of natural resources extracted from Cree territories. This also constitutes a recognition of Cree communities' rights to have a say in the management of hydropower, mining and forestry resources on their territories and to share directly the benefits of new resource-based development projects on the territory administered under the rules of the JBNQA.

The *Boumhounan Agreement* signed in connection with the Eastmain 1-A/Rupert project calls for special funds, substantial remedial measures, economic and community benefits, such as training, employment, contracts, environmental guarantees, commitments and undertakings. While putting a clear emphasis on the conception and implementation of remedial measures, this agreement is remarkable in that it also provides mechanisms to create and finance a joint study group to conduct the environmental and social impact assessment (E&SIA). To be effective and efficient, the Boumhounan joint study group counts on the active participation of Cree coordinators and representatives hired in the Cree communities affected by the project, as well as on the opening of fully equipped information and work offices in said communities.

Since 1999, even before a formal agreement bound the parties involved, Hydro-Québec took care of the Crees' participation, in preparing the terms of reference for the environmental and social studies and in carrying out these studies, whereas particular attention has been given to those people and communities who were directly affected by the planned development. In continuous cooperation with Hydro-Québec, the Cree participated in the three main steps of the environmental study process, providing, among others, very valuable local ecological and traditional knowledge:

- Conceiving the terms of reference for the environmental study programme
- Gathering data and information
- Analyzing the results as well as the conclusions

Hence, during the past five years, the Crees' knowledge about the project has constantly improved as did Hydro-Québec's understanding of the Crees' concerns and expectations to ensure the harmonious integration of the Eastmain-1 A/Rupert project into the environment. All in all, these efforts throughout the process have resulted in an enhanced project.

3.3.4 Summary Assessment

The benefit-sharing mechanism put into place under the terms of the “Paix des Braves” agreement signed in February 2002 between the Government of Québec and the Grand Council of the Crees (Eeyou Istchee) is much more comprehensive than a simple revenue-sharing scheme designed for a hydropower project. It covers all forms of development of natural resources on the territory used by the Cree community, including hydropower. It constitutes a recognition of the Cree communities' aspiration for increased governmental autonomy and responsibility, as well as a recognition of Cree communities' rights to have a say in the management of local natural resources, such as hydropower, mining and forestry resources and to share the benefits of new resource-based projects developed in this region.

Overall, we understand that the following key elements influenced the Crees to change their position regarding development on the territory, embrace a new spirit as equal partners and consequently give their green light for the Eastmain-1 and the Eastmain-1-A/Rupert projects, provided that Hydro-Québec obtains for the latter the necessary governmental authorizations after due completion of the environmental and social impact assessment process:

- A corporate strategic plan, which did not impose the project, but rather sought Cree acceptance of it, was implemented.
- High-ranking officers of the corporation took the time to explain the proposal personally in public assemblies and meetings involving hundreds of people in the communities.
- The Crees were allowed sufficient time (more than three years) and financial resources to assess, consult and understand the nature and scope of the project and the proposed partnership, and were assisted throughout the process by specialists and lawyers.
- Financial provisions were made for capacity building; e.g. for logistics, hiring of Cree coordinators and representatives, technical assistance and opening of fully equipped project information offices in the communities.
- Transparency was ensured by jointly defined criteria for public access to information, translation of key documents and holding discussions in a language and with a terminology that local people understood.
- Information booths were maintained at local events, such as general assemblies, and meetings were held individually with elders and trappers.
- The field investigation campaigns carried out since 1999 and other joint activities ever since were considered successful joint endeavours by both parties, and demonstrated that a new relationship between the Crees and Hydro-Québec was viable.
- Agreements were also signed to address grievances about obligations that has not been met in the JBNQA, so that the page could be turned. Thus energy and attention could focus on the future and on common efforts to harmoniously develop the area's hydroelectric potential.
- The Crees are participating in the design and assessment of the Eastmain 1-A/Rupert project in as much as choosing the variant to be built and proposing environmental and economic options that will influence project design.
- A new nation-to-nation relationship was established with the Government of Québec based on cooperation, trust and mutual respect that allows for balanced development of the territory's resources, including general financial provisions.
- Hydro-Québec's commitments regarding remedial work and measures, training, employment, contracts, environmental guarantees, commitments, undertakings and a fruitful joint environmental study group are encompassed in the *Boumhounan Agreement*.

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4. A Joint Partnership with the Innu community of Uashat Maliotenam

The Uashat Mak Mani-Utenam Agreement foresaw remedial measures that led to a revitalization of traditional and land use activities in the back country

4.1 Project Description

Located on the North Shore of the Gulf of St. Lawrence, the Sainte-Marguerite-3 project, has been developed on the Sainte-Marguerite River some 700 km northeast of Montréal. Near its mouth, the river already flows through two small privately owned power stations, Sainte-Marguerite-1 and Sainte-Marguerite-2. The Sainte-Marguerite-3 project (SM-3) consists of a 171-metre-high rockfill dam (the Denis-Perron dam) and an underground powerhouse with two turbines, which have a total installed capacity of 882 MW. The total head is about 330 metres, which makes it the highest hydraulic head in Québec. An 8.3-km headrace tunnel connects the reservoir to the powerhouse. The reservoir's area is 253 km² and its length is about 140 kilometres. A new 86-km-long access road was built between the coast and the SM-3 generating station. Peak employment reached 1,200 workers, with an average of 500 workers over the eight-year construction period. There was no population displacement, which is typical for projects in Québec. The direct cost of the project is approximately C\$2.4 billion.

The 280-km-long Saint-Marguerite River flows from north to south through three geographical regions: the Nordic plateau, which is quite flat with many lakes, at an elevation of about 500 metres; a low-lying coast with long sandy beaches and boggy marshes; and in between, a hilly hinterland area with steep narrow valleys. The surrounding forest, mostly conifers, has scattered deciduous stands, which become rarer farther north and gradually give way to conifers.

With regard to human features, the North Shore of the St. Lawrence is characterized by low population densities, and is inhabited essentially only along the coast. There are very few permanent inhabitants in the hinterland. The towns are: inland, Fermont (population: 3,700); on the coast, Sept-Îles (population: 25,000), Port-Cartier (population: 7,000); and one Innu Aboriginal community, Uashat-Maliotenam (population: 2,720). Major economic activities are oriented towards forestry, pulp and paper, mining, hydroelectricity and metal fabrication with aluminium smelters in Sept-Îles.

Figure 4: Location of the Sainte-Marguerite-3 Project on the North Shore of the St-Lawrence River

4.2 Uashat Mak Mani-Utenam Agreement

The *Uashat Mak Mani-Utenam Agreement*, signed with the Innu Indigenous community of Uashat-Maliotenam, provides for C\$ 20.9 million (in discounted 1994 dollars) in compensation to be paid over a period of 50 years. This compensation is deposited in two funds: the *Innu Aitun* fund to support hunting and trapping activities, a fundamental facet of Innu culture; and another fund designed to promote economic and community development. In addition, C\$10 million was budgeted for remedial measures during construction. Responsibility for these measures was assigned to the Sainte-Marguerite remedial works corporation, Sotrac (Sainte-Marguerite), which was run jointly by the Innus and Hydro-Québec. The agreement also includes measures to maximize Innu employment during Sainte-Marguerite-3 construction and operation and contracts to Innu companies.

In conformity with the stated objectives of the *Uashat Mak Mani-Utenam Agreement*, the works and measures carried out through Sotrac (Sainte-Marguerite) comprise improved land use conditions and the construction of new facilities for the Innu community. The main projects include the following:

- Construction of several trapping camps and four community camps in the Sainte-Marguerite and Moisie watersheds
- Building of 170 km of snowmobile trails that facilitate access to many Innu traplines and to the most remote corners of the region
- Improvements to the Innu pilgrimage site dedicated to Saint Anne
- Construction of Shaputuan Museum dedicated to the transmission of Innu culture and housing a permanent exhibition of the principal remains discovered in the region

With a portion of funds dedicated to promote economic and social development, the community financed a part of the following:

- Building of sport facilities, such as an arena and two swimming pools
- Building of new business establishments (i.e., supermarket, hardware store)

The Innu community also benefited from specific measures that included contracts to Innu companies and training programmes for Innu workers.

Illustrations

- **Snowmobile Trails**
- **Sport Facilities: Arena, Swimming Pool**
- **Shaputuan Museum of Innu Culture**
- **Construction of a community center on the Moisie River**
- **Construction of a boat ramp and a community cottage at the shore of the Sainte-Marguerite-3 reservoir**
- **Part of the Innu Aitun fund is the Nutshimiu Atusseun programme which provides financial support to train young Innus in traditional forest activities**

Pictures used with the permissions of Sotrac (Sainte-Marguerite)

During the planning phase of the Sainte-Marguerite-3 project, the Band Council, which is an elected body representing the Innu community, was not against the project as long as it was a partner involved in the decision-making process. At the other end of the spectrum were the Innu Traditionalists, a political movement within the community supporting Aboriginal values. The Traditionalists were absolutely against the project, and demanded compensation for past land occupation by non-native populations. The opinion of the population ranged from support for the Traditionalists' position to support for the Band Council's position.

During the public hearings opinions on the project became quite polarized. Hydro-Québec was obliged to reach an acceptable agreement with the Innu. Once a preliminary agreement was reached, the Band Council decided to hold a referendum within the Innu community. This community referendum would decide whether or not the agreement was acceptable to the Innu. The referendum was favourable, albeit by a small margin (52%), but it allowed the Band Council to ratify the *Uashat Mak Mani-Utenam Agreement* with Hydro-Québec and to go ahead with the Sainte-Marguerite-3 project (see Section 4.1). It is important to note that the Agreement is not political in the sense that it did not involve any government, nor did it settle any historical land claim issue, allowing the Innu to pursue any and all territorial claims they may have with the governments. It is also a collective agreement: There is no individual compensation, but rather collective, community compensation. This was required by the community itself.

4.3 Summary Assessment

The Sainte-Marguerite-3 project raised three basic issues among the Uashat-Maliothenam Innu community: territorial land claims, access to the hinterland and economic development. Regarding land claims, the political situation of the Innus is similar to that of many Canadian Aboriginal communities: an absence of negotiated agreements concerning ownership of the land between the governments and the communities. The lack of political settlements makes it difficult to carry out large infrastructure ventures on disputed lands, which means that developers must negotiate on a project-by-project basis with Aboriginal communities, to avoid political and legal confrontations.

4.3.1 Improved Access to the Back Country

Before the development of the Sainte-Marguerite-3 project, the inland region was seldom visited. The development has promoted the extension of the road system and, as a result, the use of the land for traditional, recreational and commercial purposes. The new 86-km access road to the generating station makes inland access much easier. It is extended by logging roads.

Between 1994 and 1999, the use of the area north of Sainte-Marguerite-3 grew threefold. The peak period coincides with summer vacations and the hunting seasons for big and small game. The new road system also encourages resort development. User activity, previously concentrated around Sainte-Marguerite 2 reservoir, now extends over an area that stretches more than 100 km north from the coast and goes well beyond the boundary of the Sainte-Marguerite River drainage basin.

Innu use of the land has grown, since the road system provides access to traplines that were very little harvested previously. A number of trapping camps have been set up in the Sainte-Marguerite basin since the highway opened. In addition, infrastructure projects developed under the *Uashat Mak Mani-Utenam Agreement*, such as snowmobile trails, greatly improved land use conditions.

4.3.2 Economic Development

The Sainte-Marguerite-3 project has also contributed to the economic development of the Innu community. Not only did it create jobs for the Innus during construction, it has had a longer-term impact on workforce skills. Innu workers represented, on average, some 30 person-years (about 4% of the construction workforce) from 1994 to 2002. In addition, 26 Innus acquired construction trade cards and several Innu companies secured contracts negotiated individually on the jobsite, and new companies, such as Innu Construction, were formed.

4.3.3 Reasons for Success

The success of Sainte-Marguerite-3 results partly from trust-building through the negotiation and signing of agreements with concerned regional and local stakeholders: the Innu Indigenous community, municipal and business institutions and land users.

The lessons learnt from the Sainte-Marguerite experience that helped build a good climate with the stakeholders can be summarized as follows (Milewski and Corfa, 1998):

- *Be on site*: a local permanent presence is essential, right from the design phase
- *Hire locally*: appoint trusted local people to positions that handle community relations
- *Understand*: understand the expectations, potentials and limitations of the stakeholders
- *Listen and be ready to act*: original solutions are often proposed by stakeholders, and the promoter must be ready to revise its position in order to reach an agreement
- *Match words and action*: this is a prerequisite for building trust
- *Stick to your commitments*: trust is built step by step
- *Work together*: this cements mutual trust.

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5. A Business Partnership with the Betsiamites Community

The Pesamit Agreement—A Partnership Based on Revenue Sharing

In order to ensure the social acceptability of three potential river diversion projects, Hydro-Québec agreed to a revenue-sharing-based partnership strategy with local communities, whether Indigenous or not. This strategy offers local communities the option to participate in the project's equity by becoming, in effect, part owners of the project. The following case study presents in greater details the agreement signed between Hydro-Québec and the Innu community of Betsiamites for the construction of a hydropower dam (Toulnostouc) and of three partial river diversions on the North Shore of the Saint-Lawrence River.

5.1 Project Description

These projects involves the construction of a 526 MW hydropower plant and dam on the Toulnostouc River located downstream of the existing Lac Sainte-Anne Reservoir, as well as partial diversion of the Portneuf, Sault-aux-Cochons and Manouane rivers towards the existing Bersimis-1 and Bersimis-2 hydropower plants located on the Bersimis River. These schemes will yield an average annual output of 2.7 TWh and will require an outlay of C\$ 1 billion for Hydro-Québec and its partners. Construction began in November 2001 following government approvals. The last component of these projects is scheduled to be commissioned in 2005.

The various developments are located within the boundaries of five regional county municipalities (or RCMs) and of lands claimed by three Innu Indigenous communities: Betsiamites (2,600 inhabitants), Essipit (177) and Mashteuiatsh (1,980). The Innu (also spelled Ilnu or Montagnais) communities of Québec are relatively small and some are impoverished when compared with other non-Indigenous communities in the area.

Figure 5: Location of the three partial diversions of the Manouane, Sault aux Cochons and Portneuf Rivers including the Toulnostouc and Péribonka hydropower project

5.2 Benefit-Sharing Mechanisms—Agreement with Betsiamites

The projects are being developed in partnership with the five RCMs and the three Innu communities. Specific agreements have been signed with all communities. Project design and environmental assessments were carried out under the responsibility of Hydro-Québec in close co-operation with the partners.

The Pesamit Agreement was signed in September 1999 by Hydro-Québec and the Innu community of **Betsiamites**.

The Agreement was submitted for approval through a community-wide referendum. The community of about 2,600 inhabitants voted close to 80% in favour of the Agreement with a turnout of about 50% of residents eligible to vote.

According to the Agreement, the community of Betsiamites may invest 17.5% of the total construction costs of the three partial river diversions. The costs of these diversions are estimated at \$C 82M. The community could therefore invest about \$C14.3M in the projects. In return, the community can benefit from revenues equivalent to the value of 17.5% of the total energy produced by the river diversions minus the corresponding operating and environmental monitoring and follow-up costs. Hydro-Québec will buy the power from Betsiamites over a 50-

year period under an agreed pricing formula, based on the electricity tariffs in Québec and the New England Power Pool prices. In 50 years, the community will retain the option of extending the partnership agreement for another 49 years.

The agreement also covers the Touloustouc project. However, for that project, there will not be an investment opportunity offered to Betsiamites, considering the size and "return" on investment (*on cherche à exprimer le terme français RENDEMENT*) as well as the associated risks for a corporate body, the Band Council, responsible for managing community services.

Pursuant to the Pesamit Agreement, and in addition to the revenue-sharing mechanisms, Hydro-Québec will contribute:

- a total of \$C10.4M toward the setting up of a Betsiamites Community Development Fund;
- a total of \$C11M for environmental mitigation and socioeconomic and cultural development programs for the community to be managed through a joint Betsiamites/Hydro-Québec Remedial Work Corporation or "SOTRAC²";
- job-creation objectives for the Innu community of Betsiamites is set at 12.5% of the total person-years of employment related to the studies and construction of the projects. This goal could lead to the creation of approximately 200 person-years of employment for Betsiamites Innu;
- an agreed-upon goal for contracts to be awarded to Innu companies from Betsiamites is set at 10% of the contracts awarded for the projects.

Hydro-Québec and the Innu community of **Essipit** signed a similar partnership agreement in October 1999. According to that agreement, the community of Essipit invested 3.4% of the total construction costs of the partial diversion of the Portneuf River, which are estimated at \$C10M. In return, the community of Essipit will benefit from revenues equivalent to the value of 3.4% of the total energy produced by the river diversion. In addition, the community of Esipit will receive a total of \$C500,000 for remedial works.

More recently, in June 2001, a third partnership agreement was signed by Hydro-Québec and the Innu community of **Mashteuiatsh** concerning the partial diversion of the Manouane River. The community may invest 7.3% of the cost of the project (\$C60M). The community of Mashteuiatsh will also receive \$C650,000 for remedial works.

Illustrations

Signing of the Betsiamites Agreement in 1999

(left to right) Mr. Jean-Marie (Jack) Picard (lead negotiator), Mr. René Simon (chief), Mr. André Caillé (CEO, Hydro-Québec), Mr. Thierry Vandal (president, Hydro-Québec Generating Division)

² As a reminder, the SOTRAC concept is a joint, non-profit, remedial-works corporation, and first and foremost, an organization meant to benefit the communities directly affected by the projects—an organization mandated, among other things, to alleviate negative project impacts, foster Indigenous use of areas affected by the projects and promote the pursuit of traditional activities by all harvesters in affected communities. In addition to their remedial function, the SOTRAC, created pursuant to other and previous agreements with Aboriginal communities, served as discussion forums to resolve issues during the project construction phase. They assured the parties' on-going dialogue to facilitate attainment of the objectives and the intent of the agreement.

5.3 Summary Assessment

This agreement represented another breakthrough for both the provincial power utility and the involved Indigenous and non-Indigenous communities since they could also, through their regional government, invest in the partial diversion projects and benefit financially from the development of the hydraulic resources of their area. As observed by the Prefect of the RCM of La-Haute-Côte-Nord: "*In a context of devolution of powers toward local governments, the sums redistributed within our community will enable us to ensure our development according to models adapted to our needs.*"

By paving the way for Indigenous communities to develop their entrepreneurial skills, this agreement laid a milestone for further partnerships. The example of the Mashteuiatsh community living on the south shore of Lake St-Jean is an eloquent demonstration of how partnerships and human capacities are evolving.

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6. Evolving Partnerships with the Mashteuiatsh Community

The following section shows how partnerships can evolve over time. In this case, the Innu community of Mashteuiatsh living on the south shore of Québec's Lake Saint-Jean had first participated in a joint limited partnership company to implement and operate their own mini-hydro project, the Minashtuk^o power station. Then, the same community had created a community development agency that has taken a significant part as subcontractor in the construction of the Manouane River diversion project and finally the community was qualified to take charge of the leading contract for building the work camp and ensuring the room and board service at the Péribonka construction site.

6.1 The Minashtuk^o Project - Creating a Limited Partnership Company

This initiative is based on a partnership with an Innu Aboriginal community (the Montagnais of Lac Saint-Jean or Mashteuiatsh) for the financing, construction and operation of a 9.9-MW hydroelectric generating station. It allowed community members to acquire expertise in carrying out a generating station project, to create recurring revenues that are reinvested in other projects to generate employment, and to build capacity through technology transfer in training technically specialized manpower.

6.1.1 Project Description

As shown by Figure 6, the Minashtuk⁰ hydroelectric project is located in the Province of Québec, on the Mistassibi River. With a capacity of 9.9 MW, the Minashtuk⁰ Project is a run-of-river facility with minimal environmental impacts since it involves no impoundment and little water flow changes. Construction began in February 1999 and the project has been in operation since May 2000. The main developer of the project is the Band Council of the Montagnais of Lac Saint-Jean. This Innu community has a total population of some 1,980 inhabitants. The Montagnais (who also call themselves Innu) have traditionally fished, hunted and trapped in the region where the Mistassibi River is located.

Figure 6: Location of the Minashtuk⁰ Hydropower Project in the Lake Saint-Jean Region

6.1.2 Benefit-Sharing Mechanism

The project was financed and owned by the Minashtuk⁰ Limited Partnership Company. The Band Council of the Montagnais of Lac Saint-Jean is the company's majority shareholder with more than 50% of the shares. Hydro-Québec owns the rest of the company's shares. As part of its partnership in the company, Hydro-Québec has agreed to buy all of the electricity generated by the project under a 20-year contract. The contract is renewable for another 20 years. The shareholders directly invested about 25% of the total cost of the project, with the remainder of the project being financed through a long-term bank loan. Hydro-Innu, a company fully owned by the Band Council of the Montagnais of Lac Saint-Jean, was mandated to conduct the feasibility studies, obtain all the governmental authorizations, have the project built under a turnkey contract and now operates the facility. Minashtuk⁰ is the first project developed by Hydro-Innu, and also the first hydropower scheme within the province of Québec that was developed and led by an Indigenous community.

6.1.3 Summary Assessment

Since the beginning of the 1990s, the project has been considered by the Montagnais of Lac Saint-Jean as a means to alleviate the high level of unemployment in the community and to ensure its long-term social and economic development. In an agreement signed with Hydro-Québec for the construction of a transmission line in 1994, both parties had expressed their intention to enter into partnerships for specific projects. However, proper mechanisms had to be developed to ensure the long-term profitability of these projects for the Montagnais of Lac Saint-Jean. The community also wanted to retain a degree of control over project design.

The main long-term goal of the Montagnais of Lac Saint-Jean is to reinvest the profits into other projects that can generate employment for their community. Another goal pursued by the community is to favour the transfer of technology and the training of technically specialized manpower. The long-term profitability of the Minashtuk⁰ Project is ensured by the granted purchase price and strict management rules. These rules include, for instance, obligatory calls for tenders for contracts for goods and services and regular maintenance programs, as conditions to be respected in the long-term contract for the purchase of power from Hydro-Québec.

Besides being guaranteed direct entitlement to a share of the profits of the Minashtuk^O Project, the limited partnership company allowed the Montagnais of Lac Saint-Jean, as majority shareholder and owner of Hydro-Innu, to design the project according to their priorities. The project was also planned in close partnership with the city of Mistassini, under the common goal of maximizing regional economic spin-offs.

Picture:: Minashtuk Generating station

6.2 The Mashteuiatsh (2001) Agreement—Developing Entrepreneurial Skills

Based on this previous experience, the Innu community of Mashteuiatsh created a community development agency called "Développement Piekuakami Innuatsh inc.". This corporation is owned by the Band Council and is acting as the general entrepreneur that mandates various local companies based on business-oriented management. The Band Council's goals are:

- to maximize employment opportunities for the community
- to increase the carrying out of mandates through local businesses
- to favour transfer of know-how and expertise for work and business administration skills
- to complete contracts while gaining reasonable benefits

The partial diversion of the Manouane River into the existing Pipmuacan reservoir began on September 21, 2003. The diverted water, which will be turbined by Bersimis-1 and Bersimis-2 generating stations, will provide a net energy gain of about 291 GWh a year.

As with the Innu communities concerned by the partial diversion projects (see Section 5), the Mashteuiatsh (2001) Agreement provides the community with an opportunity to invest 7.3% (or C\$4.4 billion) of the project costs (C\$61 billion) and receive as a counterpart 7.3% of the net energy generated by the project. In addition, C\$650,000 of remedial works related to the project will be decided and carried out by the community. An objective of 18% of the value of contracts awarded with respect to this project was also agreed upon by the partners.

However, of particular interest in this context is the entrepreneurial development brought about by this project for "Développement Piekuakami Innuatsh inc.", which became sub-contractor/partner of a big US-based corporation Sodexo to operate and maintain the construction site cafeteria. The contract for catering offered the community C\$1.6 million, and the opportunity to acquire skills in various professions such as cook, project manager, executive chief, housekeeping manager, confectioner and trainer.

Another mandate regarding the operation and maintenance of the work camp buildings and its connected infrastructures (access roads, waste disposal site, etc.) has been carried out together with another Quebec construction company and brings into the community C\$2.3 million, enabling the Innu community to build the capacity of their human resources in such fields as electrician, heavy vehicle operator, plumber, carpenter and security agent.

Furthermore, the Innu community development company obtained other contracts to clear the site of the future project and to implement various environmental protection measures, such as enhancing the quality of fish-spawning areas or building canoe-portage trails. This entailed more than C\$3.7 million of economic benefits for Mashteuiatsh and provided the opportunity for community members to acquire skills in professions such as land surveyor, project administrator, wood-cutter, truck driver, foreman, dynamiter, builder/mason or mechanic.

By the end of 2003,

115 workers of Mashteuiatsh had been working 57,044 hours by carrying out contracts for a total value of C\$7.7 million.
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In addition, the economic activities and contracts realized by Mashteuiatsh were such that even neighbouring non-Aboriginal communities enjoyed economic spin-offs to the tune of C\$2.8 million.

The main challenges for Mashteuiatsh in this project were to meet tight schedules, high-level performance standards, significant need for liquid assets and rigorous administrative follow-up. They concluded that training is at the heart of their communities' needs and that the community is proud of having been able to demonstrate its capacity to successfully carry out mandates, to adapt quickly and to become a genuine business partner.

6.3 The Maniukapatakan Agreement – A business partner taking wing

In the context of the Péribonka hydropower development³, the Band Council of Mashteuiatsh agreed to participate in the development of the territory's hydraulic resources by building one more power station on a river that is already powering three privately owned generating facilities.

The participation aimed at minimizing negative impacts and maximizing positive outcomes for the collective interests of this Innu community.

Compared with the previous partnerships concluded between Hydro-Québec and Mashteuiatsh, this agreement is based on increasing monetary values/assets and expertise, rising participation in environmental impact assessment and monitoring studies, a growing recognition of the Innu community as a significant economic agent on the regional level that has become the lead contractor for catering services at the work camp, which hosts up to 1,000 workers.

The Maniukapatakan Agreement has been signed in 2003 and will provide the community of Mashteuiatsh with a total of:

- C\$100 million for community development funds over the next 50 years
- C\$11 million for funds dedicated to implementing remedial measures
- C\$2 million for a special fund to promote traditional activities.

All in all, these funds make up C\$ 113 million and will be exclusively managed by the Mashteuiatsh community.

For example, the Innu community will be involved in environmental monitoring during the project's construction and the first decade of its operation. During the project planning stage community consultation programs are implemented to make sure that negative impacts are well understood and that the community members have the opportunity to participate in the development of mitigation measures. Moreover, community members

³ 385-MW power station, 80-m-high and 700-m-long dam, reservoir surface of 32 km²—please read Mr. Cacchione's article for more details.

are taking part in the archaeological inventories. Findings will be handed over to Mashteuiatsh's Society of History and Archaeology, which is managing the community's museum.

Furthermore, this agreement also grants Innu corporations contracts in the field of construction work and environmental studies totalling up to C\$80 million until the commissioning of the project scheduled for 2009. In addition, it awards the indigenous community 10% of the contracts required for the construction of the new transmission line.

6.4 Summary Assessment

Adjusting the agreements' content in each instance to the conditions and development goals of the community at a given point in time is key to achieving realistic targets and making each partnership a successful springboard for sustainable community and resource development.

ILLUSTRATIONS

Joint realization of archaeological inventories

Museum of Mashteuiatsh

Location of the future Péribonka reservoir

Péribonka Work Camp: capacity 1160 workers - area: 201 840 m² - including dormitories, cafeteria, administration buildings, recreation center, bar, store and heliport

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7. Conclusions

Thirty years of continuous efforts invested in establishing sustainable relations with Aboriginal communities led Hydro-Québec to identify success factors. Since local needs and value systems can be very different from community to community—over time—and also from project to project, it has turned out to be appropriate to tailor agreements on a project-by-project basis.

All these intensive negotiations with local communities are revealing several key components that are always part of a mutually beneficial agreement.

The most important cornerstone for building partnerships remains respect.

RESPECT of

- individuals,
- local traditions,
- different value systems,
- commitments and, of course,
- legal frameworks.

This also encompasses respecting basic principles of DEMOCRACY, such as negotiating with elected community representatives, relying on a transparent decision-making process guided by majority approval, offering choices and establishing priorities.

Further to these core values, a set of GENERAL PRINCIPLES is underlying successful partnerships:

- dedication to a long-term relationship
- mutual high-level commitment
- practicing two-way communication to enhance mutual knowledge and understanding
- offering opportunities for community development
- capacity building
- flexibility
- financial compensation of residual impacts
- participatory decision-making

Despite the fact that means to implement agreements have to remain adaptable, there are several MECHANISMS that have proven to be powerful tools to craft partnerships:

- public hearings to increase mutual understanding and to establish priorities
- planning and implementing remedial works together with affected people
- continuous forum for exchange
- mechanisms to prevent and resolve discords
- privileged exchanges among high-level decision-makers
- measures to favour traditional activities

Indeed, partnerships are formalized by an agreement. However, agreements are not an end by themselves. They are a means to translate principles shared by both partners into suitable actions providing development opportunities that are mutually beneficial. Not only do they record negotiated outcomes, but, at the same time, they also capture the spirit of cooperation characterizing a given era and particular value systems. Agreements are like lighthouses shedding light on the way forward, benchmarking the path for sustainable development of natural and human resources.

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