

We are redistributing the message below as we understand there may have been a technical issue when originally distributed on Wednesday, January 14th.

Good morning / Good afternoon,

As we enter the new year, I hope you were able to enjoy a restful holiday season and spend time with family and friends, as together we prepare for another important year in immigrant settlement and resettlement.

I'm writing to you today to share important information regarding the impacts of Budget 2025, the latest Immigration Levels Plan, and the Comprehensive Expenditure Review (CER) on IRCC's Settlement Program.

As previously communicated, the government launched a Comprehensive Expenditure Review (CER) in summer 2025, directing most departments to identify up to 15% in savings over the next three fiscal years, including IRCC. Departments must begin implementing CER measures immediately to ensure they are in place for the 2026–2027 fiscal year.

For IRCC, the CER decisions highlight the government's commitment to responsible, cost-effective spending that delivers results for Canadians and ensures the long-term sustainability of IRCC's Settlement Program in a more fiscally restrained context. As set out in Budget 2025, these savings will come from reducing the length of eligibility for economic class immigrants and from finding efficiencies in program delivery.

Please rest assured that although the Department is facing a time of fiscal restraint, the Settlement Program will remain an effective and impactful program, supporting new immigrants to have access to consistent services across the country which encourage their early and meaningful economic and social integration into Canada. Our current

commitment to the most vulnerable clients, such as refugees, will remain in place.

Amendments to Settlement Program Contribution Agreements

For 2026-2027, the Settlement Program will need to identify approximately \$100M in savings, with further incremental savings in the following two years.

To realize these savings quickly and facilitate the transition over the coming year, the Department will take a phased approach. Budget reductions to some existing agreements will be necessary; however the Department also intends to seek extensions of agreements by one additional year to March 31, 2029 to provide as much stability to the sector as possible during uncertain times.

In **Phase I** the Department will begin to gradually implement revised client eligibility parameters for economic immigrants only. Over time, this will culminate in a limit of five years of eligibility for settlement programming for economic immigrants. This aligns well with their pattern of service usage as on average, nearly 95% of economic immigrants are no longer accessing settlement services by year 6 after landing.

In the coming weeks we will also proceed with plans to seek a first set of amendments and extensions for direct services that will be impacted by decreased annual budgets. This will be done by leveraging program data using the Immigration Contribution Agreement Reporting Environment (iCARE), the platform for service providers to report data on newcomer settlement services, to ensure all funded activities continue to effectively maintain positive outcomes for clients, while upholding program integrity and value for money. This phase is the most critical and will require quick action with a view to completing all amendments by May 2026. It is important to note that not all agreements will be subject to amendment at the same time – Phase I will focus on amending and

extending the agreements that will be most impacted by decreased annual budgets.

IRCC is supporting the government's goal of keeping spending sustainable and focused on programs and activities that are cost-effective, core to the federal mandate, complementary to other government programming and aligned with government priorities. These changes make sure that services are focussed on helping newcomers who need it the most, so they can settle in Canada and contribute to their communities, while also managing costs.

Program Officers will begin to reach out to your respective organizations very soon. We are also aware that we need a means by which service providers can identify the eligibility of clients and we expect to have this in place by April 1st, 2026 or shortly thereafter.

Phase II of the approach will take place from May 2026 to July 2026. It will focus on seeking one-year extensions to the remaining direct service contribution agreements where budgets are less impacted or are not being adjusted. Further analysis is currently underway to determine precisely which agreements are impacted.

Phase III is expected to take place from December 2026 to March 2027. This phase will focus on seeking one-year extensions and refinements to direct francophone services, to align with expected higher francophone immigration targets in the years to come. In this phase, the Department will also be making decisions on indirect services which is part of the ongoing work related to the renewal of the Settlement Program – engagement which launched in October 2025 with all settlement provider organizations.

Implications for Francophone Programming & Resettlement Assistance Program (RAP)

Strengthening Francophone immigration helps ensure the vitality of Francophone-minority communities outside of Quebec and contributes to

Canada's cultural, social, and economic diversity. The government remains committed to increasing Francophone immigration outside of Quebec as part of its broader immigration objectives. Given the continued increase in Francophone immigration targets, it is important to maintain capacity for those settling within Francophone minority communities. As such, Francophone service providers will not see any reductions to their annual settlement funding as part of this exercise. As per normal practice for all services, the Department will continue to monitor all agreements to ensure strong value for money. We expect increased client numbers will continue to drive down costs where economies of scale have not always been possible in the past.

Finally, IRCC's investments in services for refugees under the Resettlement Assistance Program are separate from the Settlement Program. For Government Assisted Refugees (GARs), the resettlement amounts invested in service provider organizations are allocated based on volumes and pace of arrivals each year. There are no significant funding implications for the Resettlement Assistance Program (RAP) flowing from CER; however, we will be seeking to make adjustments to some agreements to align with GAR targets in the 2026-2028 Immigration Levels plan. Amendments will take place this fiscal year to address current year costs, where necessary. IRCC will be seeking one-year extensions to RAP agreements when an amendment to address current operations is needed, with the goal of minimizing the number of amendments for RAP service providers.

Next Steps

I appreciate that this process is stressful and impacts the settlement provider workforce particularly as your organizations are still managing through immigration levels-related funding reductions. I am committed to working closely with SPOs and we will continue to provide open and transparent communication – this will include the communication of notional revised budget amounts in early Q4 that reflect the required savings to guide amendments.

The Department will continue to provide additional information through communication directly with SPOs and through meetings scheduled with the Sector Governance Tables later this month.

Lastly, I would like to reaffirm IRCC's commitment to working with provinces, territories and settlement provider organizations on the renewal of the Settlement and Resettlement Assistance Programs that launched last fall. This work is important as we continue to explore the identified themes together including revising the length of eligibility, digital renewal, the transformation of the Needs and Assets Assessment and Referral Services (NAARS), and supporting skills for economic success, for example.

Sincerely,

Maxine Ifill (she, her)

Director General

Settlement and Resettlement Operations (SRO)

Immigration, Refugees and Citizenship Canada/Government of Canada

Maxine.Ifill@cic.gc.ca