

# **ICANN Strategic Plan Development Process for FY26–30**

Environmental Scan Analysis Report

July 2024



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# Introduction

A thorough understanding of the environmental impacts on an organization is a critical element of an effective strategic planning process. This Environmental Scan Analysis Report provides a summary of the input received from the seven [environmental scan sessions](#) held with stakeholders across the ICANN ecosystem from October to November 2023. The objective of the sessions was to identify the strengths and weaknesses, as well as the external opportunities and threats, which could affect ICANN's ability to fulfill its mission.

The information gathered served as crucial input for the Board in the development of the draft FY26–30 Strategic Plan to spur critical thinking while developing strategies that leveraged identified opportunities and strengths, and proactively addressed threats and weaknesses.

The environmental scan was divided into two key sections: external and internal. The external environmental scan examined factors that could impact ICANN's mission or performance. The PESTLE technique was used to analyze external Political, Economic, Social, Technological, Legal, and Environmental factors.

The internal environmental scan focused on ICANN's strengths and weaknesses. These are elements within ICANN, such as resources, capabilities, culture, structure, etc. While some aspects, such as financial data, may be factual, other aspects, such as morale and culture, could be based on an individual's perspective or opinion.

This data was collected at a point in time, influenced by people's perceptions and opinions, and is recounted here as provided by the participants in the environmental scan sessions. Inclusion of the statements in this report is intended to reflect the data collected and is not intended as an endorsement of any of those positions. To provide a comprehensive view, the project team supplemented participant insights with additional research where needed and available. It is also important to recognize that the external and internal environmental landscape is dynamic and will shift over time.

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# External Environmental Analysis

## Political Factors

Some of the environmental scan participants believe that the “Digital Sovereignty” is a concern that could impact the technical underpinnings of the Internet or the multistakeholder model of Internet governance.<sup>1</sup>

Geopolitical shifts are exerting pressure on the multistakeholder model (MSM) of Internet governance, for example the now failed proposal by the United Nations Secretary-General to create a multilateral Digital Cooperation Forum under the U.N. General Assembly, which had the potential to undermine the multistakeholder Internet Governance Forum.<sup>2</sup> Building awareness and support for the multistakeholder model of Internet governance is critical to mitigate the risk of Internet-related legislative and regulatory initiatives, as well as top-down proposals for a multilateral replacement.

Participants discussed major negotiations on the U.N. level, including the intergovernmental Global Digital Compact negotiations and the upcoming 20-year review of the World Summit on the Information Society (WSIS) outcomes in 2025, which has the potential to put ICANN’s MSM in the spotlight of the United Nations.

Regional or global conflicts present a potential threat to the stability of the Internet and underscores the need for ICANN to navigate complex geopolitical landscapes while preserving the integrity, interoperability, and accessibility of the Domain Name System (DNS).

## Economic Factors

Participants noted that the perceived expanding gap in digital access, characterized by disparities in broadband and device availability, is causing uneven participation in the digital society.<sup>3</sup> While ICANN's efforts are focused on areas such as capacity building, Universal Acceptance, DNS expansion, and ICANN Managed Root Server installations, building digital access requires a collaborative approach involving multiple stakeholders.

Participants discussed possible economic challenges to the sustainability of ICANN's funding due to prevailing uncertainty and inflationary pressures. Participants noted the importance of maintaining a robust global presence while navigating the constraints imposed by economic

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<sup>1</sup> For example, in 2019 the Russian Federation passed the [Russian Sovereign Internet Law](#), which envisions full control over the DNS by a government agency (among others).

<sup>2</sup> As described in the WSIS Tunis Agenda and the WSIS+10 Outcome Document. See [GE-012](#).

<sup>3</sup> As described in [Measuring digital development: Facts and Figures 2023](#).

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pressures and that the uncertainty of inflation and rising costs may impact staff benefits and compensation programs.

Participants acknowledged that numerous factors may impact and influence the perception of domain names, particularly technological advancements and evolving user preferences in the next five to 10 years. Participants expressed that as more economic activities that were traditionally done at brick-and-mortar businesses move online, there could be an increase in the demand for domain registrations. Some cautioned that the dynamic in the registry and registrar space may lead to financial impacts that warrant attention. Some suggested that ICANN proactively assess and adjust its financial strategies to ensure ICANN's effectiveness and resilience in this evolving environment.

Some participants noted that potential privatization of country code top-level domains holds significant implications for the domain management, policy formulation, and service provision within individual countries. Some suggested that ICANN conduct a comprehensive evaluation of the associated challenges and opportunities, which encompasses not only technical aspects of domain management but also the broader economic and regulatory considerations unique to each nation.

Others stressed the need to recognize and address the notable shift in economic power toward Asia, specifically China, and consider the implications for the domain industry and participation in ICANN's MSM. Furthermore, the advent of artificial intelligence (AI) and blockchain technologies introduces a layer of complexity, not only in terms of technological advancements but also in their potential impact on employment dynamics within the domain industry.

## Social Factors

A shift noted by many is that some countries, such as India, will continue to experience population growth, and may significantly influence the dynamics of the Internet, with the potential to bring about shifts in user behaviors and demands.

Another trend that some participants noted is the rise of a strong sense of national identity that has significant implications for the Internet and domain names. As nations seek to preserve and protect their cultural identities and languages, there is a growing emphasis on promoting and adopting Universal Acceptance and Internationalized Domain Names.

Participants flagged that the escalating challenges associated with fake news, malware proliferation, and cybercrime collectively contribute to a decline in trust within the digital ecosystem. Pressure to regulate content, combat disinformation, and address DNS abuse may impact ICANN's policies and operations. In light of these concerns, participants suggested that

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ICANN proactively position itself as a trusted entity, to instill confidence among stakeholders and Internet users.

Participants also pointed to the impact of human rights concerns on decisions about ICANN meeting locations as a sign of how technology, ethics, and global social and political factors are connected. Participants have expressed that ICANN's selection of a meeting venue carries ethical significance and can influence perceptions of the organization's dedication to fostering a secure, inclusive, and rights-respecting Internet environment. In addition, ICANN must continue to adapt to new modes of collaboration to provide interaction among global stakeholders without extensive travel.

Participants noted that the increase in Artificial Intelligence (AI) and the popularity of apps could change the way society uses domain names. This means that ICANN may need to adjust and adapt to how people are using domain names and the Internet in new and different ways.

“Worldwide, 79 per cent of people aged between 15 to 24 use the Internet, 14 percentage points more than among the rest of the population (65 per cent).”<sup>4</sup> As the pioneers and early advocates of the MSM to Internet coordination matters approach retirement, participants expressed concerns over the next generation’s commitment to this model. It is crucial for ICANN to attract interest and sustain the involvement and commitment of the next generation. Understanding the changing demographics and ensuring representation from diverse regions and backgrounds is crucial for fostering a vibrant and inclusive community.

## Technological Factors

According to participants, continuous innovations in technology may cause potential disruptions that impact the Internet. Disruptions may arise from various sources, such as emerging technologies, changes in user behavior, cybersecurity threats, or unforeseen events.

Some participants proposed improving the security of domain names using blockchain technology as blockchain introduces a decentralized and tamper-resistant ledger, making it more challenging for malicious actors to manipulate or compromise domain information compared with the centralized DNS. There is a potential opportunity to explore how blockchain technology can be leveraged to strengthen the security of domain names, to address concerns related to hacking, domain hijacking, and other cyberthreats associated with traditional domains.

As AI continues to advance, its influence on the use of the Internet is inevitable; however, the exact nature of this impact remains unclear. The capabilities of AI in analyzing data and predicting user behavior contribute to a more informed understanding of how domains are

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<sup>4</sup> ITU Publications, [“Measuring digital development: Facts and Figures 2023”](#) (2023): 11

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registered and utilized. This, in turn, has implications for businesses, marketers, and domain management strategies.

Participants noted that venture capital could play a pivotal role in shaping the technology landscape, and influence the development and implementation of innovative solutions. As venture capital funds are invested in companies at the forefront of technological advancements, these investments drive research, development, and adoption of cutting-edge technologies. In the context of the DNS, venture capital funding could have a potential impact on the evolution of domain-related technologies, cybersecurity solutions, security protocols, and the overall Internet infrastructure.

There was discussion that wearable devices also create new ways for users to engage with digital content, potentially altering traditional methods of navigating the Internet through domain names. The development of the metaverse, a virtual shared online space, introduces a new dimension to online interactions, potentially shaping how domain names are utilized within these immersive environments. Additionally, as more devices connect to the Internet, how people use regular domain names might also change.

Participants expressed that failure to deploy DNS Security Extensions or IPv6 could lead to issues or challenges. The failure to deploy these technologies may result in security vulnerabilities, potential cyberattacks, and limitations in the availability of IP addresses, hindering the smooth operation and security of the Internet.

Participants noted that it is critical to raise awareness and engage with the community on alternative name spaces and emerging technologies that are relevant to the DNS and ICANN's role in order to maintain trust and minimize Internet user confusion.

Participants noted concern about the potential failure or lack of success of certain new gTLDs in the near future due to challenges in gaining user adoption, limited market demand, etc. In addition, the next round of new gTLDs may bring further challenges and risks in this area. Another trend cited was escalating concerns surrounding intentional infrastructure sabotage threatening the safeguard of Internet stability.

## Legal Factors

Participants flagged that over the next five to 10 years, a legal stance adopted in certain jurisdictions could pose a challenge in another, as its influence could extend across legal systems. Some noted this could affect ICANN's policy remit, emphasizing the need for a comprehensive and adaptable framework that can navigate the complexities of an increasingly interconnected legal environment.

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Participants noted that continued geopolitical tensions could set the stage for more stringent regulations and legislation. In other instances, countries might choose to regulate the content available on the Internet, and this regulation could impact the DNS system and the broader ICANN ecosystem.

## **Environmental/Ecological Factors**

Overall, the input from participants reflects a growing concern with regard to the environmental impact of ICANN's operations, particularly in the context of meetings and travel. Participants expressed concerns about the environmental impact of the ICANN meeting model, and emphasized the carbon footprint associated with global, in-person gatherings. Participants advocated for building a culture of inclusion, incorporating carbon credits, ride shares, and zero-waste practices as part of the community's ethos. Suggestions included the creation of a Green Stewardship award to recognize and track the carbon footprint of ICANN activities. In addition, proposals were made for ICANN to facilitate the purchase of carbon credits for the number of meeting participants to offset their travel emissions, introducing a potential business opportunity.

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# Internal Environmental Analysis

## Structure

Structure refers to the Board, community, and org constituting the ICANN ecosystem. Participants expressed that ICANN's MSM structure provides an inclusive environment to anyone who desires a voice to participate. However, participants noted that decision-making processes can be prolonged, due to extensive collaboration and procedures. They expressed that while consensus may lead to good decisions, it could potentially limit innovative solutions. If there is a significant imbalance or dominance of power by one of the components (community, Board, or org) over the others, it could lead to destabilization of ICANN's MSM structure.

Some participants expressed concerns with the current Generic Names Supporting Organization (GNSO) structure, particularly regarding the bicameral setup, as it could be compromised by a perception of an imbalance in representation of views. Some participants felt that the absence of a comprehensive review of the GNSO and its sub-structures has resulted in the perceived imbalance. Some participants expressed the view that, while the original Domain Name Supporting Organization (DNSO) was perceived as unfair to contracted parties, the present GNSO structure is potentially unfair to the commercial stakeholder community. The restructuring from DNSO to GNSO has been observed to create a "tribal" dynamic, contributing to the delay in some of the policy development process (PDP) work. Participants expressed the view that the prolonged process of investing three to five years in a PDP, followed by another three to five years in implementation work, contrasts unfavorably with the perceived faster approach of national legislatures, as seen in the NIS2 Directive.

There was discussion about the importance of having a mechanism to incorporate new stakeholders, and adding agility to the existing SO/AC structures is needed for the ICANN ecosystem and its legitimacy.

## Systems

Systems encompass the processes, workflows, and procedures that reveal daily activities and operations. This also includes the clarity of the deliverables/output derived from the processes and workflows resulting from daily activities and operations.

## Processes and Procedures

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Participants noted that over its 25-year history, ICANN has established procedures and processes that provide systematic documentation. Some indicated the level of documentation may be difficult to parse through.

Participants expressed that newcomers can face difficulty understanding the underlying problems and goals of PDPs, often due to the discussions or written content being heavily focused on process and status updates. Additionally, some noted there is a tendency to create new processes rather than using and improving upon established ones, and a preference for sequential processing over parallel processing. These factors may contribute to delays in decision-making.

## Shared Values and Style

Shared values and style are the commonly accepted standards and norms within the ecosystem, shaping and guiding the behavior of the entire ecosystem, including the community, Board, and org. This also encompasses the leadership approach and its impact on performance, productivity, and overall culture.

## Upholding ICANN's Mission

Here are the key attributes identified by participants, along with the strengths and weaknesses associated with each. The inputs highlight:

- **Commitment and dedication to ICANN's mission to** foster a globally interoperable Internet. The ecosystem demonstrates cohesion during crises, and relies on shared beliefs and loyalty to the mission to foster a sense of solidarity.
- **A shared interest in making the Internet function effectively.** A mission-focused approach brings diverse parties together, making compromise achievable even in challenging situations.
- **Clear communication and articulation of ICANN's mission and values is crucial** for fostering a cohesive understanding and commitment among all members, regardless of their tenure in the ecosystem.

## Championing the Multistakeholder Model

According to participants, there is a shared value to preserve and uphold ICANN's bottom-up and consensus-driven multistakeholder model. Involving various stakeholders in the decision-making process is seen as beneficial, as it fosters higher levels of commitment to the outcomes.

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Participants encouraged further definition of what a conflict of interest is within the Statements of Interest to ensure transparency, impartiality, and adherence to ICANN's mission and values.

## Addressing Accountability Concerns

Accountability is a key element of the ICANN MSM and its legitimacy. Participants said that accountability is critical, particularly when the organization makes an error, to remain confident in ICANN's accountability mechanisms. Additionally, the organization's commitment to accountability and transparency is exemplified by the presence of the Office of the Ombuds, a distinctive feature that facilitates fair dispute resolution and stands in contrast to many other organizations, including intergovernmental ones.

## Enhanced Transparency

Participants noted ICANN has "strong" and "maximum" transparency, which underscores ICANN's dedication to ensuring that its operations, decisions, and mechanisms have visibility and accessibility. However, balancing transparency with the need for efficiency, streamlined decision-making, and effective communication remains an area of improvement for ICANN. The emphasis on transparency, when not effectively managed, can add complexity that is challenging for the community, particularly newcomers, to navigate and impacts agility.

## Harnessing Diversity and Inclusivity

Participants indicated ICANN's MSM depends on having a diversity of volunteers. By fostering a diverse and inclusive community, ICANN benefits from a wide range of perspectives, experiences, and expertise, enhancing its ability to address the complex challenges of the ever-evolving Internet ecosystem. This diversity of voices contributes to more comprehensive decision-making processes and ensures that the organization remains relevant and responsive to the diverse needs of its stakeholders.

## Staff, Community, and Board Members

This section refers to the strengths and weaknesses of the staff, Board members, and community members. It discusses the size of the community, Board, and org, what serves as motivation for them, as well as how they are trained and prepared to accomplish the tasks set for them, skill gaps, level of experience, etc.

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## Size

In general, there is minimal commentary on the size of the community, Board, and organization, but some expressed that the community consists of a recurring slate of familiar faces and a perceived lack of new and younger contributors. The community's size is noted for potentially amplifying the prominence of individual voices. Additionally, there is a recognized need for capacity-development initiatives to facilitate the inclusion of a newer generation of individuals on the Board.

## Motivation

Overall, community members are motivated by a mission-driven purpose. This creates a strong sense of purpose and responsibility toward the global Internet community. Some argue that motivations within the community appear to vary, ranging from mission-driven commitment to commercial interests and government policy/regulations.

Participants expressed that the impact of undisclosed interests on policymaking and community conversations poses a challenge, indicating potential conflicts of interest and a lack of transparency. The presence of certain community members may inadvertently quiet others, suggesting a potential impact on open dialogue and diverse perspectives within the community.

Moreover, there is the recognized challenge of community fatigue, suggesting a potential decline in enthusiasm or engagement within the community. And finally, there are inputs suggesting that some community members emphasize travel expenses and financial support. Participants felt that ICANN staff appear motivated by the mission of ICANN. This commitment likely stems from a sense of responsibility and dedication to the organization's objectives.

## Skills and Experience

Participants noted that in terms of skills and experience, long-tenured members of the Board, community, and staff foster trust and offer valuable historical perspectives, contributing positively to the organization's culture. The presence of diverse opinions and broad experience enhances the overall knowledge base. However, on the other hand, long tenure can limit innovation and new ideas, potentially hindering ICANN's adaptability. There may be reluctance to actively involve newcomers.



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