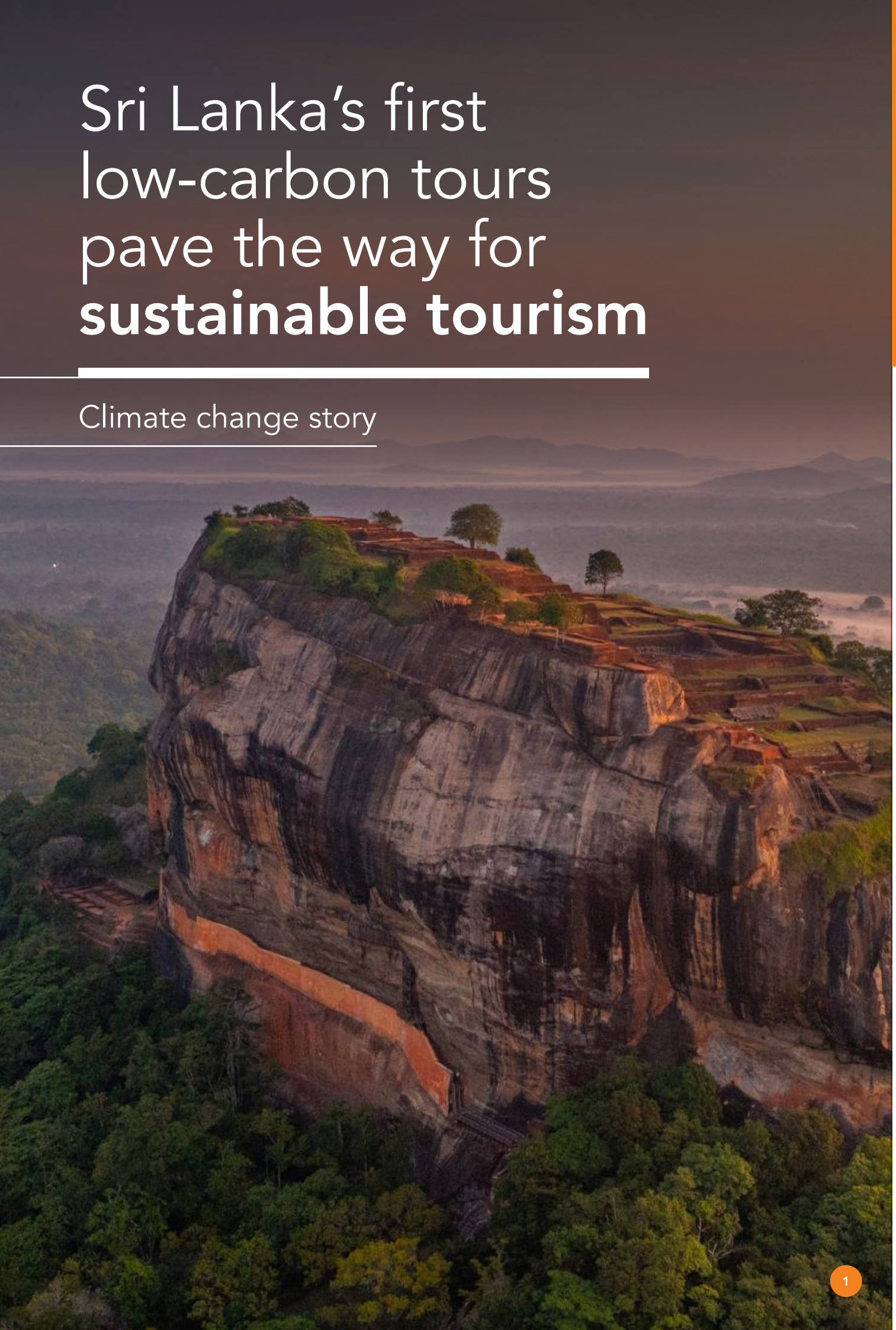
Sri Lanka's first low-carbon tours pave the way for **sustainable tourism**

Climate change story



Climate change poses a significant challenge to tourism: it can disrupt traditional travel seasons, threaten tourism infrastructure and natural attractions, and make some destinations less accessible.

The industry also contributes significantly to climate change, accounting for approximately 8 per cent of global greenhouse gas emissions. In Sri Lanka, the tourism cycle is based on the two main monsoons and the country's abundant natural assets of 'sun, sea and sand'. Nearly 60 per cent of tourists to Sri Lanka seek out nature-based seasonal experiences. However, recent changes in rainfall and weather patterns have started to alter monsoon cycles and disrupt travel. This can lead to declining visitor experiences and destination attractiveness

Travellers are increasingly seeking out responsible and climate-conscious experiences to reduce their environmental footprint. A 2024 survey by Booking.com found that 75 per cent of global travellers want to travel more sustainably in the next year and that 62 per cent believe that sustainable travel adds higher value to their experience. As Sri Lankan tourism gradually recovers from multiple crises, it has become imperative that the industry enhances its competitiveness by adapting to evolving traveller sentiment and invests in the product, services and skills that are required to cater to shifting demand. Tourism is a major driver of growth and foreign exchange, closely tied to Sri Lanka's post-crisis recovery.

MDF has been working with industry pioneers to explore sustainable tourism and demonstrate how businesses can build resilience and competitiveness through green practices. This has involved working with businesses to develop new, diverse and experiential tourism products, while also investing in green skills, solutions and services to improve operating efficiencies. These early investments aim to keep Sri Lanka ahead of the curve as visitors seek new, sustainable ways in which to explore the world.

Developing a low-carbon travel itinerary: Renew

MDF partner Authenticities Sri Lanka (ASL) is an inbound travel business that focuses on value-added experiences curated to client needs. As Sri Lanka's fifth-largest destination management company (DMC), with a strong presence in the global B2B travel industry, ASL identified growing global demand for responsible and sustainable travel and made early investments in two electric vehicles (EVs) to explore low-carbon transport options.

While a few Sri Lanka businesses were integrating low-carbon travel options into their product lines, none were marketing carbon-calculated travel itineraries. In 2023, MDF was shifting towards supporting innovations in sustainable tourism and partnered with ASL to develop Sri Lanka's first low-carbon tour itineraries to target the carbon-conscious traveller.

ASL created a new product of travel itineraries, 'Renew,' focused on 'slow travel,' where travellers spend more time at each destination for a richer and more immersive experience. The Renew itineraries include several regional SMEs and MSMEs that are part of ASL's supply chain and are supported to measure and monitor their carbon emissions.

While tapping into the emerging slow, responsible travel trend, this also provides an opportunity to ***widen the distribution of benefits from tourism and move travel away from traditional tourism centers****.*

Initiating carbon measurement

Using this framework, the ASL's network of MSMEs would be rated on how sustainable and emissions-intensive their operations were, with selection for ASL's Renew itineraries contingent on achieving and maintaining a particular rating.

ASL recruited a project lead to drive this initiative, while MDF supported ASL to conduct capacity building for partners and suppliers on integrating sustainable practices into operations. ASL also committed to promoting partners as carbon-conscious tourist destinations through targeted marketing, which provided tourism MSMEs with a unique selling proposition to leverage for their own marketing.

Helping MSMEs go green

ASL developed staff capacity, with MDF-supported consultants training staff, including senior management, on sustainability and the carbon measurement framework. Ensuring ASL's own buy-in and understanding of the Renew program was essential to the sustainability of the innovation. Following this, ASL extended the training to the MSMEs in its network. The businesses were trained on collecting and analysing carbon emission data across key operational areas, including accommodation, energy consumption, waste management, water management, construction and design, food procurement and experience curation. To date, ASL has partnered with 27 MSME accommodation and experience providers in its travel network.

Over 12 months, the MSMEs collected data, gaining a deeper understanding of their environmental impact. ASL provided tailored carbon footprint calculations and strategic recommendations, enabling businesses to make informed decisions for long-term emissions reduction and improved sustainability practices. This initiative not only built technical expertise but also fostered a mindset shift toward responsible tourism among the MSMEs. With access to their carbon emission data, these properties can now make informed decisions to reduce operational costs, while also using the data to engage with higher-yielding visitor segments that plan their travel based on such information. This is a win-win for the MSMEs.

> *For us at the Notary's House [ASL partner], it is a privilege to be selected as one of ASL's first hotels in this initiative, and it helped us to redefine our business policies in line with sustainability. We especially value the impact after the ASL team guided us to reduce the emissions on air conditioning devices to improve our ratings. In addition, [becoming more] dependent on solar energy is helping the ecosystem and us to improve our ratings. We are grateful for ASL and MDF for bringing in an expert like Dr Sampath Wahala to share valued inputs – it also helped us improve [our] overall sustainability.*
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> **Nimesh De Silva**, Director Development & Marketing, Notary's House

Making low-carbon travel the way forward

ASL has developed four carbon-friendly slow travel itineraries across Sri Lanka, invested in EV charging infrastructure in five key locations, and continues to emphasise sustainable and immersive experiences that minimise environmental impact and provide sufficient data to travelers on their carbon emissions. To support these initiatives, MDF co-invested with ASL on ancillary services such as developing Renew's manifesto, launching the brand, setting up charging points and building staff capacity.

Renew has sparked global interest for conscious travel in Sri Lanka, and ASL is working with 20 potential buyers from the UK, US and Australia who are seeking to incorporate the product into their tours. To meet demand, ASL will bolster marketing, ensuring travellers are more informed and motivated to choose low-carbon options. The tours have also introduced ASL partner businesses to a new source of high-yield demand, incentivising further investment in sustainable tourism.

By investing in climate-resilient business models, pioneering businesses are laying the foundation for sustainable growth and tapping into a growing visitor segment. MDF and ASL remain committed to driving sector-wide change that positions Sri Lanka as a regional pioneer in sustainable, low-carbon travel.

- ✓ Energy consumption
- ✓ Community engagement
- ✓ Sustainable practices

How do **carbon-calculated travel itineraries work?**

For carbon-calculated itineraries, accommodation and activity providers calculate greenhouse gas emissions from their water and energy use, food sourcing, waste management and transport (types of vehicles and fuel used, distance travelled, etc). This informs business investment decisions to reduce emissions and improve operational efficiency—such as shifting to using solar panels, sourcing food from nearby communities or growing their own food, and investing in electric vehicles. The information is also made available to their guests, so that visitors seeking more sustainable experiences understand the carbon footprint of their Sri Lankan holiday.

MDF and ASL team members conducting a carbon measurement survey at Tri Hotel.