

New Report Warns Climate Damages in Small Island States Could Reach US\$476bn by 2050 Without Urgent Adaptation Action

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Small Island Developing States (SIDS) are facing escalating climate risks, with potential damages of up to US\$476 billion by 2050 if adaptation efforts are not significantly scaled up, according to a major new report by the Global Center on Adaptation (GCA).

Launched this week, *State and Trends in Adaptation 2025: SIDS* is the most comprehensive assessment to date of climate threats, economic impacts, and adaptation solutions across the world's 39 small island nations. The report finds that current levels of international public adaptation finance, averaging just over US\$2 billion a year, fall dramatically short of the estimated US\$12 billion annually required to protect SIDS' communities, economies, and ecosystems.

Despite representing only 1.2% of global climate finance, SIDS leaders argue that accessing funds remains disproportionately difficult. Lengthy approval processes, complex eligibility rules, and a continued reliance on loans rather than grants are preventing finance from reaching those most exposed to climate impacts.

Adaptation delivers strong economic returns

The report underscores that adaptation is one of the highest-value climate investments available. Every dollar invested can generate up to US\$6.50 in avoided losses and economic benefits. Priority areas include resilient transport infrastructure, distributed clean energy, climate-smart agriculture, and improved water systems, all of which can significantly reduce long-term economic damage while strengthening resilience.

However, the report warns that nearly half of adaptation finance to SIDS currently comes in the form of debt, further straining already fragile public finances. GCA calls for a shift towards grant-based finance,

vulnerability-based allocation models, and innovative mechanisms such as debt-for-resilience swaps and blue and green bonds.

Nature, data, and early warning systems

Nature-based solutions are highlighted as cost-effective adaptation measures. Mangrove and coral reef restoration, for example, can protect coastlines, reduce disaster losses, and support livelihoods. In Fiji, geospatial analysis identified restoration zones capable of reducing annual flood damages by more than US\$47 million by 2050.

The report also flags major gaps in early-warning and climate data systems. Only 39% of SIDS report having multi-hazard early-warning systems in place, limiting their ability to protect lives and plan effectively across sectors such as agriculture, health, water, and disaster response.

Pacific case studies lead by example

All three case studies featured in the report are drawn from the Pacific region, highlighting its leadership in climate adaptation:

- **Pacific Organic Learning Farm Network:** Implemented through the Pacific Community (SPC), the initiative supports more than 300 farmers in Fiji, Nauru, Tonga, and the Solomon Islands, improving food security, biodiversity, and climate resilience through organic and agroecological practices.
- **Vanuatu National Vulnerability Assessment Framework:** A national planning tool integrating climate and disaster resilience into policy, developed with SPC technical support.
- **Regenerative Tourism in Fiji:** Community-led tourism models, including work by the Viti Indigenous Tourism Alliance, that promote cultural heritage, environmental stewardship, and resilient livelihoods.

The report concludes that while SIDS continue to demonstrate ambition and leadership on adaptation, international partners must urgently match this commitment with faster, fairer, and larger-scale finance. Closing the adaptation finance gap, it stresses, is not simply a development challenge, but a matter of survival for the world's most climate-vulnerable nations.