



The Economic Cost of Climate Change for Small Island Developing States (SIDS): A Case of the Caribbean

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ABSTRACT

The Caribbean region is extremely vulnerable to the impact of climate change due to its size and geographical location. The associated cost of climate-related events is particularly high for Small Island Developing States (SIDS) within the region. Thus, this paper sought to investigate the Economic Cost of Climate Change on SIDS within the Caribbean using a literature review approach. The economic cost was categorized into market and non-market cost to help identify gaps and highlight methodologies used, which ultimately showed that climate-related events could cost between 11% to 17% by 2100. Additionally, this paper also investigated the cost associated with climate action which was found to be significantly high with the estimated cost of over US\$337 million in social investment by 2030 for the region. This paper shows that urgent action is needed to mitigate the negative effects of climate change through policy implication and economic transaction.

Keywords: Climate Change, Caribbean, Economic cost, Small Island Developing States, Climate action