Christine Lagarde: Stemming the tide - safeguarding our ocean and economy

Speech by Ms Christine Lagarde, President of the European Central Bank, at the Blue Economy and Finance Forum, Monaco, 7 June 2025.

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It is a pleasure to speak at the Blue Economy and Finance Forum.

In his 1857 poem "Man and the Sea", Charles Baudelaire explored the deep kinship between the ocean and humanity.[1] For Baudelaire, they were two forces drawn together by awe, fascination, and even conflict.

Today, that dynamic has taken on a new and troubling dimension. We rely on the ocean for climate stability and economic prosperity, yet we are fuelling a climate crisis that threatens to undermine the very system we depend on. We cannot let that happen.

Baudelaire described the sea as a "mirror" to the human soul. We now need to take a hard look in that mirror and ask ourselves: what can we do to stem the tide of this crisis, to safeguard our ocean and economy?

This morning's two panel discussions will go a long way towards answering that question. But I would like to take this opportunity to open the plenary session with a few thoughts – about what is at stake, and what stakeholders can do about it.

The ocean's importance for our climate and economy

The ocean is home to 95% of the planet's biosphere.[2] It spans environments as varied as sunlit coral reefs and pitch-black abyssal plains. And it supports an immense range of life, from countless microscopic organisms to the world's largest animal, the blue whale.

Given the ocean's richness, it is worth preserving in its own right. But its value does not end there – the ocean also benefits humanity in two vital ways.

First, it is one of the planet's most powerful allies in the fight against climate change.

The ocean helps to regulate global temperatures by absorbing vast amounts of heat and redistributing it through major currents like the Gulf Stream. It is also the world's largest carbon sink, reducing the amount of carbon dioxide in the atmosphere and helping to slow global warming.

The Intergovernmental Panel on Climate Change finds that the ocean has absorbed over 90% of the excess heat trapped in the earth's system, as well as a third of the carbon dioxide that humans have emitted since the Industrial Revolution.[3]

Second, a sustainable ocean serves as an important pillar supporting the global economy, providing for food security and economic opportunities.

Marine ecosystems support over three billion people who rely on fish for at least 20% of their animal protein intake. Indeed, this dependency is more pronounced in some of the least-developed countries, where seafood provides most of the animal protein consumed.[4]

These ecosystems also help sustain employment opportunities. More than 150 million jobs depend on the production, trade and consumption of ocean-based goods and services, according to the United Nations.[5] The ocean is also home to key natural resources, such as medicines and biofuels, which are vital for ongoing advances in healthcare and clean energy sectors.

So, there is a great deal at stake in preserving the ocean's health.

The threat of climate change

But today we are placing the sustainability of our ocean under extraordinary stress, with serious implications for both our climate and economy.

Without the ocean's capacity to absorb heat and carbon, we would have had to contend with a faster, even more dangerous pace of global warming. Yet there are now signs that this capacity is becoming strained.

The last ten years were the ocean's warmest on record. Warmer oceans are driving more frequent marine heatwaves, which damage ecosystems, and have been a major contributor to rising sea levels due to the thermal expansion of seawater. The rate at which the global mean sea level is rising has more than doubled over the past three decades.[6]

On top of this, the ocean's absorption of carbon dioxide is driving acidification.

Combined with ocean warming, acidification is contributing to the bleaching and death of coral reefs, which are vital for supporting fisheries and protecting coastlines from storms. Since 2023 over 80% of the world's coral reefs have been affected by bleaching.[7]

We find ourselves in dangerous waters. Together, these changes could have profound consequences for the global economy.

Food security may be undermined, potentially leading to more volatile prices, which is a concern for central banks tasked with safeguarding price stability. And if coastal areas become unliveable due to rising sea levels or frequent flooding, people may be forced to move. More than 600 million people around the world live in coastal areas that are less than ten metres above sea level.[8]

Stemming the tide

So, what can we do to stem the tide of these troubling developments? We may not be able to fully reverse the damage done, but we can work towards slowing its momentum, potentially even stopping it, by acting on two important fronts.

First, we need to protect. That means cutting greenhouse gas emissions decisively and keeping the goals of the Paris Agreement within reach.

If we succeed in doing so, we could limit sea level rise to around half a metre by the end of the century. That might not sound reassuring. But every tenth of a degree we avoid is a piece of coastline preserved, a reef protected or a storm surge weakened.

We also need to protect the natural systems that shield us from floods. Nature-based solutions – for instance, restoring mangroves, marshes and coral reefs – offer powerful, cost-effective defences against extreme weather. Coral reefs alone can reduce wave energy by an average of 97% while supporting fisheries, tourism and coastal livelihoods.[9]

The second front is just as important: we need to prepare.

Whether we like it or not, climate-related risks are materialising. We need to adapt our infrastructure and economies to a more volatile world. That includes building sea walls and surge barriers and budgeting for resilience rather than reacting after disaster strikes.

Make no mistake: adaptation will be costly. According to UN assessments, costs could run into the hundreds of billions of dollars globally each year by mid-century.[10] But the cost of inaction would be far higher. One study estimates that failing to keep global temperatures below two degrees above pre-industrial levels could lead to USD 14 trillion in global annual flood costs by 2100.[11]

To meet this challenge, we need to catalyse finance for marine and coastal conservation – for instance, through innovative approaches that convert natural capital into financial capital.[12]

This can be especially impactful for vulnerable countries with limited fiscal space. Above all, we must listen to the communities affected, treating their needs as a basis for our actions rather than an afterthought.

Let me conclude.

Baudelaire reminds us that the sea is a mirror of our own nature, which can either heal or harm.

So, let us choose to heal. That means nurturing the ocean's rich diversity and facilitating finance to support innovative adaptation measures that build more resilient communities and a stronger global economy.

Thank you.

[1] Baudelaire, C. (1857), *Les Fleurs du mal*.

[2] Grantham Research Institute on Climate Change and the Environment (2023), "What role do the oceans play in regulating the climate and supporting life on earth?", 28 February.

[3] Intergovernmental Panel on Climate Change (2019), "IPCC Special Report on the Ocean and Cryosphere in a Changing Climate".

[4] Food and Agriculture Organization of the United Nations, "Coastal Fisheries Initiative".

[5] United Nations (2025), "United Nations Ocean Conference, Nice, France 2025: Facts & Figures".

[6] Specifically, from around 2.1millimetres per year in 1993 to around 4.5millimetres per year in 2023. See Hamlington, B.D. et al. (2024), "The rate of global sea level rise doubled during the past three decades", *Communications Earth and Environment*, Vol. 5, No 601, 17 October.

[7] National Oceanic and Atmospheric Administration (2025), "Coral Reef Watch: Current Global Bleaching: Status Update and Data Submission", 21 May.

[8] United Nations (2017), "Factsheet: people and oceans", *The Ocean Conference*, New York, 5-9 June.

[9] Ferrario, F. et al. (2014), "The effectiveness of coral reefs for coastal hazard risk reduction and adaptation", *Nature Communications*, Vol. 5, No 3794, 13 May.

[10] United Nations Environment Programme (2023), "Adaptation Gap Report 2023", 2 November.

[11] Science Daily (2018), "Rising sea levels could cost the world USD 14 trillion a year by 2100", 3 July.

[12] On this front, the Blue Institute, under co-founder Ralph Chami, has developed strategies to assign transparent, evidence-based financial value to marine natural capital.