

## Nature and the economy: Environmental change, economic adjustment, and policy challenges

2 – 3 October 2025

El Colegio de México, Mexico City

**The Centre for Economic Transition Expertise (CETEx), the El Colegio de México (ColMex), Sustainable Macro and Sural are pleased to invite you to this jointly organised conference.**

The conference will focus on the economic and financial impacts of environmental degradation in Latin America and the Caribbean, exploring climate risks, transition challenges, and opportunities for sustainable growth amid evolving global regulations and ecological pressures.

### Context

Latin America and the Caribbean (LAC) is a highly biodiverse region and plays a pivotal role in the global environmental landscape. Home to vital carbon sinks, and critical ecosystems, the region's natural wealth underpins both local livelihoods and international supply chains. However, pressures linked to land-use conversion, natural resource utilisation, and marine ecosystem degradation are placing growing strain on the region's natural capital. These dynamics can contribute to ecological decline with broader economic implications – influencing labour market patterns, land-use dynamics, population movements, and social vulnerability. The degradation of nature is no longer a peripheral issue; it is increasingly intertwined with the region's macroeconomic trajectories, financial sector resilience, and capacity to adapt to a rapidly changing global economy. Synergies with climate change exacerbate this dynamic, heightening exposure to physical risks.

At the same time, changes in global trade patterns and the adoption of new sustainability-related regulations – including the EU Deforestation Regulation – are introducing forms of transition risk for economies with a high share of nature-intensive exports. These evolving policy frameworks may affect market access and production incentives, while also creating opportunities for innovation, employment shifts, and more diversified development pathways.

Against this backdrop, the conference will bring together policymakers, central banks, financial supervisors, academics, and practitioners to examine how environmental degradation shapes macroeconomic outcomes and financial stability in LAC. By fostering dialogue across disciplines and institutions, the event aims to identify research priorities and policy responses that can strengthen resilience while supporting sustainable development in the region.

## Conference agenda

### Day 1: October 2nd

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**8:30 to 9:00** – Arrival and registration

**9:00 to 9:30** – Welcome remarks by Professor **Ana Covarrubias Velasco** (President of ColMex) and **Rob Patalano** (Executive Director at CETex LSE)

**9:30 to 10:30** – Keynote by Professor **Esteban Rossi-Hansberg** (University of Chicago)

**10:30 to 11:00** – Tea and coffee break

#### **11:00 to 12:30 – Session 1: Physical Risks & Socio-Economic Impacts**

- *Climate change, informal workers and the green transition*, **Florencia Maldonado** (Universidad Autónoma de Zacatecas)
- *A tale of two risks: financial stability for or against biodiverse ecosystems?*, **Audrey Irvine-Broque** (University of British Columbia)

Moderator: Franco Maldonado Carlin (El Colegio de México)

**12:30 to 13:30** – Lunch

#### **13:30 to 15:00 – Session 2: Land Use, Economic Activity & Development**

- *Deforestation and Economic Growth: Municipal Evidence from Colombia*, **Marcen Laguna** (Universidad del Rosario)
- *Digging in the Wrong Places: Quantifying Productive and Environmental Misallocation in Critical Mineral Mining*, **Juan Pablo Martínez** (CETex LSE)
- *The Macroeconomic Impact of Changes in Land Use in Agriculture-commodity Exporting Economies* **Nicole Toftum** (CONICET-UNSAM); Pablo Bortz (CONICET-UNO)

Moderator: Elena Almeida (CETex LSE and Sustainable Macro)

**15:00 to 15:30** – Tea and coffee break

### 15:30 to 17:00 – Session 3: Financial Sector Regulation & Innovation

- *Assessing deforestation risk and water-related risks in Latin America and the Caribbean: Benchmark cases and possible mechanisms from financial regulation*, **Santiago Castillo** (World Wildlife Fund, Inc/Superintendency of Banking, Insurance and Private Pension Fund Administrators); Carla Rivera (WWF); Rubi Santillan (SBS); Nicole Barrientos (SBS)
- *Transition linkers in Latin America*, Jonas David; **Ulf Erlandsson** (Anthropocene Fixed Income Institute)
- *A Tale of Two Countries: Diverging Effects of Environmental Law Enforcement on Banking Credit*, **Cristina Ortega** (Universidad Autónoma de Madrid); Matias Ossandon Busch (CEMLA)

Moderator: Nicole Toftum (CONICET-UNSAM and Sustainable Macro)

## Day 2: October 3rd

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9:00 to 9:30 – Arrival

### 9:30 to 11:00 – Session 4: Macroeconomic & Transition Risks

- *Adverse Weather-Induced Inflation: Some Implications for Monetary Policy in a Small Open Economy*, **José Vicente Romero** (Banco de la República de Colombia); Sara Naranjo-Saldarriaga (Banco de la República de Colombia); Jonathan Alexander Muñoz-Martínez (Banco de la República de Colombia)
- *Nature Loss and Macroeconomic Vulnerability in Latin America: Implications for Balance of Payments and Exchange Rate Stability*, **Guilherme Klein Martins**; Annina Kaltenbrunner; Anne Loscher; Isabella Rodrigues; Karina Axl (University of Leeds)
- *The macroeconomic transmission channels and value chain effects of the EU Regulation on Deforestation-free Products (EUDR) for coffee-exporting countries: what does the evidence suggest?* **Jodie Keane**; Bernardo Arce; Sherilyn Raga; Yohannes Ayele (ODI Global)

Moderator: Viviane Torinelli (Banco Central do Brasil)

11:00 to 11:30 – Tea and coffee break

## 11:30 to 13:00 – Policy Panel: Nature related risks and challenges for the macroeconomy and financial stability

- Chaired by **Rob Patalano**, Executive Director, CETEx LSE
- **Irene Alvarado Quesada**, Research Economist, Banco Central de Costa Rica
- **Ricardo N. P. Moraes**, Systemic Risk Monitoring Division, Banco Central do Brasil
- **Gonzalo Garcia-Trujillo**, Senior Economist, Banco Central de Chile and member of NGFS Nature Task Force
- **Ana Ruth Solano**, Financial Specialist, Environmental and Social Risk Analysis and Policy Management, Banco de Mexico

**13:00 to 13:15** – Wrap-up and closing remarks

### Information and Contact

Organisers: Elena Almeida, Chiara Colesanti Senni, Simon Dikau, Wallis Greenslade, Laudine Goumet, Franco Maldonado Carlin, Alain Naef, Nicole Toftum, and Maria Waaifoort

Scientific committee: Eleonora Sfrappini, Fanny Cartellier, Irene Alvarado Quesada, Markus Leippold, Gustavo Leyva, Natacha Postal Vinay, Nitzan Tzur-Ilan, Pablo Bortz, Paola D’Orazio, Serafin Martinez Jaramillo, Viviane Torinelli