December 2025
Main Chair
Leiden Model United Nations 2025

The Tension between Climate Policies and the Cost of Living

United Nations Environmental Assembly (UNEA)

December 2025
Main Chair
Leiden Model United Nations 2025

Table of Contents

Table of Contents 1

Introduction 2

Definition of key terms 3

General Overview 4

Major parties involved 6

Timeline of events 7

Possible solutions 8

Bibliography 10

December 2025
Main Chair
Leiden Model United Nations 2025

Introduction

Looking at inflation, the energy price hikes and the food price increases, the cost of living creates a serious issue across the globe. Millions of families are unable to afford the basics such as food and heating, even though these are human rights. On the other hand, we experience the climate crisis, which is devastating people and nature across the globe and we're running out of time to create a safer future for generations to come. So many of the world's biggest challenges, from tackling poverty to preventing wildlife extinctions, are made more difficult by climate change.

In the wake of rising energy prices and the cost of living crisis it has been argued by some that addressing the climate and environmental crises should be less of an immediate priority because of citizens' more pressing everyday living concerns. With these two colliding issues, it is impossible to solve one without worsening the other one. We don't have to tackle one challenge or the other, they are interlinked.

In this research report the collision of these issues will be discussed, both issues separately and their origin. After that a few major parties will be discussed, a timeline is given and a few possible solutions are presented.

December 2025
Main Chair
Leiden Model United Nations 2025

Definition of key terms

Inflation

An increase in the cost of living as the price of goods and services rise. The rate of inflation measures the annual percentage change in the general price level.

Price hike

A price hike refers to a significant increase in price for a certain product.

Net Zero Strategy

A plan for the reducing carbon dioxide emissions and reach Net Zero in 2050.

Nationally Determined Contributions (NDC's)

The nationally determined contributions (NDC's) are commitments that countries make to reduce their greenhouse gas emissions as part of climate change mitigation. These commitments include the necessary policies and measures for achieving the global targets set out in the Paris Agreement.

The Yamal-Europe pipeline at Germany's Mallnow point

The Pipeline in between Russia and Germany transporting the gas supply for e.g. Germany, the Netherlands and the UK.

December 2025
Main Chair
Leiden Model United Nations 2025

General Overview

Keeping the rising threat of climate change in mind, the financial matter of climate policies keeps families, already suffering from the unaffordable cost of basic needs, on their toes. These citizens are prevented from choosing the sustainable options simply because they are too expensive. People are having to prioritize cheaper options over greener products. For example, locally sourced vegetables, eco-friendly cleaning products and energy-efficient lightbulbs are being bypassed for cheaper, less planet-friendly options.

The flip side is that in some circumstances, the cost-of-living crisis is driving people to make more sustainable and environmentally-friendly choices. For example, the rise in fuel prices is forcing some people to reconsider how much they use their car, perhaps walking or taking public transport instead. Or finding ways to save on energy costs has resulted in a massive rise in the use of air fryers and slow cookers. While these small shifts have been motivated by a need to save money, the outcome reduces energy usage and benefits the environment. And the impact of small, repeated actions, can help to move humanity in the right direction.

Causes for the cost of living crisis

The cost of living crisis initiated due to a few factors; the Russian invasion of Ukraine caused the gas prices to skyrocket and this reached an all time high in August 2022 in Europe. The Covid-19 Pandemic caused a rise in global energy demand during the recovery and a lack of investment in supply to match it. Increasing energy prices also contribute to wider inflation as the costs of producing goods and services also increase. Indeed rises in energy prices caused half of annual Consumer Price Index inflation in Europe in May 2022.

Factors of climate change

The climate change is caused by both human and natural factors. Natural factors include: Orbital changes, the Earth has natural warming and cooling periods caused by *Milankovitch cycles* (A theory that describes the effects of the Earth's movements on its climate) or variations in the tilt and/or orbit of the earth around the sun. Volcanic activity, during a volcanic eruption carbon dioxide is released into the atmosphere. And Solar output, saying that there can be fluctuations in the amount of radiation from the sun. If there is high amount emitted there will be an increase in Earth's temperatures.

Human factors include: Deforestation, trees absorb carbon dioxide during photosynthesis. If they are cut down, there will be higher amounts of carbon dioxide in the atmosphere. Dumping waste in landfill, when the waste decomposes it produces methane.

And agriculture, agricultural practices lead to the release of nitrogen oxides into the atmosphere. Burning fossil fuels, eg coal, gas and oil, these release carbon dioxide into the atmosphere.

The sustainable option for burning fossil fuels is to use energy, which is a cheaper alternative, but receiving this energy is expensive. You would have to possess solar panels or other energy generators, which most citizens cannot afford.

What will happen if we don't fix these issues?

Well first of all, if inflation keeps increasing and groceries get unaffordable, a lot of citizens get in debt. It's not an exaggeration to say millions of households are already needing to foot hundreds of extra dollars a week to keep a roof over their head, keep the lights on and put food on the table. The Russian invasion of Ukraine put the gas prices at an all-time high, which led to other parts of Europe having to cope with a shortage in gas and energy. This forced the nations to increase their prices even more, although these were already unaffordable for a lot of citizens.

December 2025
Main Chair
Leiden Model United Nations 2025

Major parties involved

Russia

Since the Russian invasion of Ukraine, the price of gas produced in Russia has shifted. Cutting of the gas supply started as a threat to the European Union, but turned out to be a major problem for millions of households. Russia strongly discouraged the EU to aid Ukraine in the war with humanitarian assistance and a growing likelihood of military assistance, and when they refused, Russia cut of the gas supply for a large amount and left the EU with the immensely devastating consequences.

UNFCC

At COP 21 in Paris in 2015, it was agreed that mobilizing stronger and more ambitious climate action by all Parties and non-Party stakeholders was urgently required to achieve the goals of the Paris Agreement. In decision 1/CP.21, the commitments from all actors are recognized, including those launched through the Lima–Paris Action Agenda, as well as the urgent need to scale up the global response to climate change and support greater ambition from governments.

UK

The UK government has put in law that we will be net zero (carbon neutral) by 2050. But we are not currently on track to meet that. It is an ambitious target to reduce emissions by 68% on 1990 levels by 2030, our Nationally Determined Contribution (NDC) to the Paris Agreement and the first UK target consistent with achieving Net Zero in 2050. The UK government legally needs to update its Net Zero Strategy and we need to see a plan that tackles the climate and nature crises while addressing the cost of living.

Sub-Saharan Africa

Countries in sub-Saharan Africa have been most affected, with food prices surging by an average of 24 percent in 2020–22, the largest increase since the 2008 global financial crisis. This makes this area financially the most damaged and weakened.

December 2025
Main Chair
Leiden Model United Nations 2025

Timeline of events

2014 Feb 20th	The Russio-Ukrainian war start
2015 Nov 12	The Paris Climate Change Conference, and the establishment of the Paris Agreement
2019	The Covid-19 crisis was an immense factor for the Cost of Living Crisis.
2022 Feb	Russian invasion of Ukraine
2022 march 29th	It was reported that the physical gas flows through the Yamal-Europe pipeline at Germany's Mallnow point had decreased to zero.

December 2025
Main Chair
Leiden Model United Nations 2025

Possible solutions

Innovative technologies already exist that can not only create a world free of manmade climate change, but improve our standard of living too.

Cheaper, warmer, carbon neutral homes

Right now, the soaring price of gas means that many millions of people are struggling to pay their energy bills. It doesn't have to be this way. Running our homes on renewable energy with no big fossil fuel costs, and better insulation would mean cheaper energy bills in the long run.

Affordable and healthier food

The food system is the second biggest contributor to climate change (after energy). Reducing food waste, increasing sustainable farming, and a global increase in eating more plants relative to animal protein, would lead to healthier, more affordable food for us all. As said in the general overview, in the current situation, affordable food (mostly non-sustainable) is preferred instead of the greener products. Changing the farming to a more climate-friendly business, will help the food industry lead to a healthier and sustainable matter.

Better transport

We need to improve access to public transport. Car sharing schemes should be altered, and wider use of electric vehicles should be promoted and encouraged. They are cheaper and much more sustainable, instead of those running on fossil fuels. As their prices continue to come down and are cheaper to run, would help to avoid volatile fossil fuel prices, and unnecessary extra carbon dioxide emissions.

December 2025
Main Chair
Leiden Model United Nations 2025

Bibliography

Here can all of the used sources be found.

Vryan. (2022c, November 8). The climate crisis and the cost of living. WWF. https://www.wwf.org.uk/myfootprint/challenges/climate-crisis-and-cost-living

Irwin, S. (2024). Addressing hardship and climate change: Citizens' perceptions of costs of living, social inequalities and priorities for policy. *Social Policy and Administration*. https://doi.org/10.1111/spol.13071

Climate change and the cost-of-living crisis. (n.d.). Charity Digital. https://charitydigital.org.uk/topics/understanding-climate-change-and-the-cost-of-living-crisis-11098#:~:text=On%20a%20global%20scale%2C%20the%20World%20Economic%20Forum,the%20number%20one%20risk%20over%20a%20ten-year%20period.

Zero Carbon Analytics. (2023, March 21). *How climate action can address the cost of living crisis - Zero Carbon Analytics*. https://zerocarbon-analytics.org/archives/energy/climate-action-can-address-the-cost-of-living-crisis

Human and natural factors of climate change - Climate change - AQA - GCSE Geography Revision - AQA - BBC Bitesize. (2024, February 27). BBC Bitesize. https://www.bbc.co.uk/bitesize/guides/zx234j6/revision/2

Pettinger, T. (2024, December 12). *Definition of inflation*. Economics Help. https://www.economicshelp.org/macroeconomics/inflation/definition/

Taylor, D. (2022, June 9). *What happens when the cost of living crisis drains all our savings?* ABC News. https://www.abc.net.au/news/2022-06-09/what-happens-cost-of-living-crisis-drains-our-savings/101135864

December 2025
Main Chair
Leiden Model United Nations 2025

Wikipedia contributors. (2025, July 11). *2022–2023 Russia–European Union gas dispute*. Wikipedia. https://en.wikipedia.org/wiki/2022%E2%80%932023_Russia%E2%80%93European_Union_gas_dispute