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As a government delegate, I have been involved in the UN climate negotiation process since 2017 to uphold Bangladesh's and the Least Developed Countries (LDC) Group's position. After an unsuccessful COP in Madrid (2019), as a Bangladeshi citizen (a country often referred to as "ground zero" for its climate vulnerability) I had to wait another two years to renegotiate issues that were blocked and left unresolved at COP25. At COP26, I had to deal with the risk of global pandemic; Scotland's bizarre weather and extraordinary accent; and a persistent reminder from the science that the "climate clock is ticking & we are running out of time!!" Despite all this, real progress was made in the Glasgow Climate Pact, from my perspective as a representative of a developing country.

Technical negotiations at COP26 were intense, and the COP ended by adopting the Glasgow Climate Pact to keep the 1.5°C goal alive. For the first time, countries agreed to phase 'down' unabated coal power (Para 20, COP26 Cover Decision). The unprecedented textual debate in the closing plenary put a special spotlight on China and India (the two biggest coal users) for forcing a compromise that led from "phase out" to be changed to "phase down." The overall outcome of COP26 is not considered adequate, but this last-minute drama at the closing plenary makes it

clear who is blocking further action. However, as a negotiator from Bangladesh and the LDCs Group, I believe the completion of the Katowice Rulebook at COP26 is good progress after taking a long six years to agree.

The Decision text of COP26 completed the Rulebook by resolving sticky issues on fundamental norms related to carbon emission markets under Article 6 of the Paris Agreement (PA). The Rulebook sets out the functioning of international carbon markets to support global cooperation on ambitious emission reductions.

But why it was important to resolve these issues urgently at COP26? Article 6 is central to the Paris Agreement, and to make the Agreement fully operational these issues needed to be resolved. Under Article 6, countries can use emissions trading to meet their emissions reduction targets and obligations. Carbon trading can enable investment in emissions-reductions technologies and can open the door to voluntary bilateral agreements between countries, in the form of development aid. Therefore, Article 6 has the significant potential to strengthen mitigation projects in the Global South. Countries in the Global North could meet their NDCs pledges to reduce emissions by providing the South the financial support to meet their respective pledges in an exchange of credits. So, the aim of Article 6 is not only to reduce emissions but also to raise policy ambition around the globe.

However, the functioning of Article 6 and its market mechanism critically depends on how it is structured. A well-structured carbon market can channel much-needed financial resources to projects and countries, where those resources can be applied most efficiently. However, if the market is structured badly, it could trigger pollution-shifting from one place to another and frustrate the achievement of Paris goals. Negotiations over Article 6 were highly technical and contentious in COP24 (2018) and COP25 (2019) but were then finally agreed at the last moment of COP26.

The COP26 outcomes related to Article 6 provide rules, modalities, and procedures necessary for a robust, transparent, and accountable carbon market to promote more and faster climate ambition. The conference produced a draft text outlining a future structure for carbon markets under the revised Article 6. The decisions provide adequate accounting guidance for internationally transferred mitigation outcomes (ITMOs) to avoid double-counting on emissions credits, both by the country obtaining them and the country supplying them. The draft agreement also provides a centralized hub to replace the Clean Development Mechanism (CDM), a mechanism developed under the Kyoto Protocol. COP26 outcomes launched a new

crediting mechanism that will give market access to all countries interested in attracting green investment through the global carbon market.

Undeniably, this is an ambitious outcome as it establishes an integrity framework to support the expansion of carbon markets. This will open a way for the private sector financing to seriously contribute to the emission reduction actions. Furthermore, from the Global South perspective, the Article 6 outcome creates a vital avenue for finance flows (public and private) from developed to developing countries. Channeling bilateral and multilateral investment to developing countries with no additional cost will help the global south to fund their efforts to prepare for climate change and to implement their NDCs targets.

We need to keep in mind the lessons learned from experience with CDM projects under the Kyoto Agreement. Due to lack of capacity, good governance, accountability, and transparency, many climate-vulnerable countries (like Bangladesh, Nepal, and Uganda) faced difficulties accessing the CDM fund. Similarly, while planning to proceed further with carbon markets, the Global South needs to consider the challenges and risks associated with the cost of compliance; leakage, meaning that restrictions in one place can simply displace those emissions to another country; carbon prices; and social, environmental, and the other overhead associated with carbon projects. Discussion at COP27 will be vital for the Global South to shape the carbon market further.

So, where is the Global South heading with this outcome of Article 6? In this decade the Global South will experience a critical catalytic role of carbon financing both market and non-market approaches in support of mitigation as well as adaptation. This new path will pave the way for emission reduction collaboration with the Global North which can eventually trigger phasing '*out coal*', a demand strongly pushed by LDCs, SIDS, and other developing countries at COP26 to reach the 1.5°C goal. However, private sector finance will also influence regional level geopolitics between countries like Bangladesh and India.

For LDCs and other developing countries, the major take-home points will be to-reevaluate the lessons learned from CDM projects; enhance the capability to join carbon markets; examine the political and national level strategies of the biggest coal producers and consumer countries; and come equipped with strong strategies in the upcoming climate negotiations, to be held in Egypt, 2022.

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