

How the system of carbon credit allocation works

- Investment money is collected from the participants to establish the Japan Greenhouse Gas Reduction Fund (JGRF), a voluntary union, and Japan Carbon Finance, Ltd. (JCF), a carbon credit purchasing company.
- The Japan Greenhouse Gas Reduction Fund concludes a carbon credit purchasing contract with Japan Carbon Finance, Ltd.
- Based on its contract with the Japan Greenhouse Gas Reduction Fund, Japan Carbon Finance, Ltd. develops and assists greenhouse gas reduction projects implemented in developing countries as well as in economies in transition. At the same time, it purchases carbon credits from project implementing and other entities.
- Those investing in the Japan Greenhouse Gas Reduction Fund will pay to the Fund a total of US\$141.5 million between 2005 and 2013 depending on the status of carbon credit acquisition by Japan Carbon Finance, Ltd., and receive carbon credit allocation corresponding to the amount of invested.

Investors

- Japan Bank for International Cooperation
- Development Bank of Japan
- Private corporations

Invest

Transfer credits

Japan Greenhouse Gas Reduction Fund (JGRF)

Financing and credit payments

Transfer credits

Japan Carbon Finance, Ltd. (JCF)

Pay for credits

Transfer credits

Clean Development Mechanism (CDM) and Joint Implementation (JI) projects