

Government Incentive for Decarbonising Industry (GIDI) fund NZ

Canonical:

<https://northmoregordon.com/grants-and-programs/government-incentive-for-decarbonising-industry-gidi-fund/>

Details:

[Summary](#) | [Article](#) | [Current use](#) | [Related guidance](#)

Funding program archive

This page preserves a dated funding-program record and links it to current project-planning guidance.

Publication date: 31 December 2027.

Status note: This archive does not confirm that applications are open, funds remain available or the earlier eligibility and co-funding settings still apply. Verify the current administrator page and guidelines.

What this article reported

Decarbonising business is one of the biggest opportunities for New Zealand to reduce its energy-related emissions and help meet climate targets.

The Government Investment in Decarbonising Industry (GIDI) Fund was expanded in May 2022, as part of the government's Climate Emergency Response Fund (CERF). The programme will see around \$650M of capital grants co-investment made available to support valuable decarbonisation projects.

The funding aims to help New Zealand secure its long-term energy future, meet its first emissions budget (2022-2025) and achieve longer-term climate targets through decarbonisation projects.

A continued focus on process heat (similar to previous GIDI): Including high impact decarbonisation projects of national significance.

Targeted investment at a regional level for projects that optimise low emission fuel use.

Funding for electricity transmission and distribution infrastructure upgrades to support fuel-switching, and the early adoption of high decarbonisation energy technologies.

Help for businesses to buy and install low emission, high efficiency electrical equipment used for industrial and commercial processes, including specifically electric motors and electric heat pumps.

Help for commercial buildings replacing fossil fuel use for space and water heating, to lower emissions and increase energy efficiency.

Funding Amount:

NZD \$650 million available.

Total project costs must be at least \$300,000

Government co-funding for any project will be limited to a maximum of 50% of eligible project costs

To be eligible, you must:

NZ based businesses

Applications for funding must be for the incremental capitalised project costs, not operating costs.

Projects must be fully commissioned and operational by 31 December 2027

Finding a suitable grant opportunity is just the start of the process of getting funding. Let us help you! The application for each grant is different and the process can take time and effort. Contact us to walk you through everything from, processes, eligibility criteria and the grants, funding and financial assistance available at the moment.

How to use this information now

Before relying on a grant, confirm the current round, applicant and project eligibility, eligible expenditure, co-contribution, assessment process, closing date and evidence obligations. Build the technical case so the project remains understandable with grant support shown separately.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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What is the Government Incentive for Decarbonising Industry (GIDI) fund and what are its key objectives?

The GIDI fund is a New Zealand government programme expanded in May 2022 as part of the Climate Emergency Response Fund (CERF), providing approximately NZD \$650 million in capital grants for co-investment in business decarbonisation projects. It aims to help New Zealand secure its long-term energy future, meet its first emissions budget (2022-2025), and achieve longer-term climate targets. The fund prioritises process heat, regional investment, transmission infrastructure upgrades, electrical equipment installation for industrial processes, and commercial buildings transitioning from fossil fuel heating systems.

What are the financial requirements and co-funding limits for GIDI applications?

Total project costs must be at least NZD \$300,000. Government co-funding for any single project is limited to a maximum of 50% of eligible project costs, meaning businesses must contribute at least 50% of total eligible expenditure. Only incremental capitalised project costs are eligible; operating costs do not qualify. This structure ensures businesses have material financial commitment and skin in the game alongside government support.

Who can apply for GIDI funding and what are the key eligibility criteria?

Eligible applicants must be New Zealand-based businesses. Projects must be fully commissioned and operational by 31 December 2027, making project timing critical for planning and evidence preservation. Applications must focus on incremental capitalised costs rather than operating expenditure. Early assessment of eligibility and project stage is important before committing to the application process, as timing-sensitive pathways require careful coordination of feasibility, investment approval, and commissioning dates.

What types of decarbonisation projects does the GIDI fund prioritise?

The GIDI fund supports high-impact process heat projects, targeted regional investment optimising low-emission fuel use, electricity transmission and distribution infrastructure upgrades enabling

fuel-switching, purchase and installation of low-emission electrical equipment (including motors and heat pumps) for industrial and commercial processes, and commercial buildings replacing fossil fuel heating systems with efficient electric alternatives. Our expertise in process heat assessment, electrification feasibility, and investment case development aligns with these priority areas.

How should a business assess whether a decarbonisation project is suitable for GIDI funding?

Begin by preparing a project brief describing the business problem, site location, existing and proposed equipment, project stage (feasibility, approved, contracted, or installed), available energy data, and the intended decision. Establish eligibility against scheme requirements—activity type, premises, equipment, project costs, and commissioning deadline—before treating funding as committed in an investment case. Present the project with and without conditional GIDI support so management understands the decision under different funding scenarios. We can help identify suitable opportunities and manage the eligibility and application process.

What support does Northmore Gordon provide for GIDI fund applications?

We assist businesses throughout the GIDI grant process, including identifying suitable opportunities, understanding eligibility criteria, and managing applications. Our expertise spans energy auditing, feasibility studies, investment case development, measurement planning, and environmental certificate assessment—all relevant to building a robust GIDI application. Craig Morgan, Sales & Marketing Director and mechanical engineer with 30+ years' experience including 15+ years in energy management and emissions mitigation, is available to discuss strategy and solutions for GIDI-related projects.

What is the importance of project timing when planning a GIDI-funded decarbonisation project?

Projects must be fully commissioned and operational by 31 December 2027, making timing a critical constraint. Funding and measurement questions should be raised while projects are still being scoped. Use separate dates for feasibility approval, investment decision, purchase or lease commitment, installation, commissioning, and normal operation—a single label such as 'project started' can hide the event that matters under scheme rules. We recommend capturing the actual chronology of studies, applications, commitments, and physical work, with clear ownership of evidence responsibilities across facility, installer, and finance teams.

How should funding from the GIDI scheme be treated in an investment case?

Present the project twice: with and without conditional GIDI co-funding. Keep grant assumptions, approval status and conditions visible. Before treating GIDI funding as committed, verify the specific round, administering body guidelines, eligibility assumptions, and confirmation that applications are open. Record the programme, source URL, date checked, and application status. Distinguish unconfirmed contributions from secured funding. This approach ensures management understands the investment decision under different support scenarios and can adjust strategy if funding is delayed, reduced, or unavailable.

What evidence and planning should precede a GIDI fund application for a decarbonisation project?

Prepare an energy audit or feasibility study establishing baseline conditions, proposed equipment scope, technical specifications, and cost estimates. Document available energy data, production records, and operating constraints. For certificate or financial pathways affected by project stage, record the chronology of studies, approvals, commitments, and physical work before equipment installation. Establish measurement and monitoring plans to capture pre- and post-project conditions. We can help coordinate evidence collection, metering plans, and baseline documentation to support both the GIDI application and subsequent performance verification.