

Coastal Capacity Building Fund 2025-2027 – Funding Round 2

The Coastal Capacity Building Fund was introduced in 2023 and is an innovative fund to support Coastal Capacity Building in Wales. The fund supports projects to enhance social capital, enable grass-roots investment to coastal communities, meet fisheries objectives from the Fisheries strategic approach and increase public understanding of the marine environment and the challenges/pressures it faces.

Aim of the scheme

The purpose of this scheme is to build stakeholder capacity in coastal communities. The fund is designed to improve the sustainability and resilience of coastal communities by facilitating action to enable nature recovery, focus on objectives from the Fisheries strategic approach and promote sustainable growth and diversification. This fund enables applicants to build on existing collaborations, engage communities, businesses and institutions such as local authorities and other public bodies to support future partnership approaches.

The fund will also strengthen the connection between local coastal communities, the fisheries sector and nature, helping people understand the actions they can take to make a difference. It will ensure we have the capacity, skills and evidence in place to support future delivery. The vision for the future is a network of coastal community organisations and individuals who share a common interest in a thriving natural environment and prosperous local communities, working together to accomplish more for local communities than could be achieved individually. For the purpose of this fund, coastal capacity building means ‘proliferation of skills, knowledge and investment to improve sustainable use of local resources in coastal communities’.

Who is eligible to apply?

The Fund will be distributed through Local Nature Partnerships (LNP). Applications for funding are invited from a range of sources who play a crucial role in facilitating economic and social development and environmental protection at a local level and submitted via the LNP Co-ordinator. Collaboration with existing members, new partners and the fisheries sector are invited and encouraged. A collaborative or partnership application will require a lead applicant who will be expected to host the LNP Co-ordinator. The fund may be of particular interest to port and harbour authorities, local authorities and businesses or organisations with links to fishing, aquaculture and community sectors around the coast of Wales.

What sort of projects are eligible?

The existing Local Places for Nature guidance applies to the Coastal Capacity Building Fund. All projects must be focussed on the aims of nature recovery and sustainable growth:

- Nature recovery and enhancement
- Sustainable growth and diversification in Welsh coastal communities
- Facilitate Welsh coastal communities to access the grant fund and other appropriate funding by providing advice and assistance and developing a network of key stakeholders to share information on marine and coastal topics.

All projects will need to meet one or more of the key fisheries objectives from the Fisheries Act 2020 and one or more of the Local Places for Nature objectives:

The fisheries objectives from Fisheries Act 2020 (referenced in strategic approach) are:-

- i. the sustainability objective,
- ii. the precautionary objective,

- iii. the ecosystem objective,
- iv. the scientific evidence objective,
- v. the bycatch objective,
- vi. the equal access objective,
- vii. the national benefit objective, and
- viii. the climate change objective.

The “**sustainability objective**” is that:-

- i. fish and aquaculture activities are environmentally sustainable in the long term
- ii. fish and aquaculture activities are managed so as to achieve economic, social and employment benefits and contribute to the availability of food supplies
- iii. the fishing capacity of fleets is such that fleets are economically viable but do not overexploit marine stocks.

The “**precautionary objective**” is that:-

- i. the precautionary approach to fisheries management is applied
- ii. exploitation of marine stocks restores and maintains populations of harvested species above biomass levels capable of producing maximum sustainable yield.

The “**ecosystem objective**” is that:-

- i. fish and aquaculture activities are managed using an ecosystem-based approach so as to ensure that their negative impacts on marine ecosystems are minimised and, where possible, reversed
- ii. incidental catches of sensitive species are minimised and, where possible, eliminated.

The “**scientific evidence objective**” is that:-

- i. scientific data relevant to the management of fish and aquaculture activities is collected,
- ii. where appropriate, the fisheries policy authorities work together on the collection of, and share, such scientific data
- iii. the management of fish and aquaculture activities is based on the best available scientific advice.

The “**bycatch objective**” is that:-

- i. the catching of fish that are below minimum conservation reference size, and other bycatch, is avoided or reduced,
- ii. catches are recorded and accounted
- iii. bycatch that is fish is landed, but only where this is appropriate and (in particular) does not create an incentive to catch fish that are below minimum conservation reference size.

The “**equal access objective**” is that the access of UK fishing boats to any area within British fishery limits is not affected by:-

- i. the location of the fishing boat’s home port
- ii. any other connection of the fishing boat, or any of its owners, to any place in the United Kingdom.

The “**national benefit objective**” is that fishing activities of UK fishing boats bring social or economic benefits to the United Kingdom or any part of the United Kingdom.

The “**climate change objective**” is that:-

- i. the adverse effect of fish and aquaculture activities on climate change is minimised
- ii. fish and aquaculture activities adapt to climate change.

Local Places for Nature objectives:

- Support activities and actions that restore and enhance nature
- Focus on supporting under-represented groups and disadvantaged communities across Wales
- Encourage community participation and engagement to enable people to experience and value nature, which will help to lead to wider and larger scale initiatives being supported across communities.

The measurable Key Performance Indicators for the fund are:

Outputs
Capital assets created (number)
Community assets created (number)
Number of actions taken to increase support for tackling nature and climate emergencies
Number of actions taken including collaboration with key stakeholders to contribute to improved management of the marine environment
Number of actions taken to support and promote blue carbon projects
Number of actions taken to increase capacity for sustainable aquaculture, tourism and recreation opportunities
Number of actions taken to increase opportunities for local seafood supply chains
Number of actions taken towards delivering the Fisheries objective(s) selected at application
Any other key achievement not mentioned above

How much funding can be applied for?

There is a £478,500 budget, projects must be a minimum of £20,000 and all projects must be delivered and claimed by 31 March 2027. The budget has a notional split of £385,000 capital and £93,500 revenue.

What sort of activities can be funded?

This is predominantly a capital grant funding round and provides capacity to build on new and existing collaborations, engage communities, businesses and institutions such as local authorities and other public bodies, to support future partnership approaches and all applications must have a capital element to be eligible. The standard eligible activities for revenue funding are to be adhered to such as staff costs, accommodation, consumables, tools and IT items directly required to undertake activities, venue hire, catering, publicity, communications, research, professional services, feasibility, economic, environmental and other technical studies and reports.

Eligible expenditure can include execution of the capital works contract, internal services (e.g. professional services), environmental works, specialist treatments, security provision and signage including acknowledgement of the Welsh Government contribution to the project.

The purchase of equipment is eligible providing that it is necessary for the delivery of the project.

In the case of moveable equipment there must be an assurance that the equipment is for the sole use of the Coastal Capacity Building Fund objectives with a rationale for the basis of costs.

If your investment requires planning consent, you must obtain any necessary planning consent and abide by any other relevant statutory requirements. Applicants also need to check their proposals do not break any byelaws, obstruct rights of way etc, and must avoid damaging the environment or causing pollution.

Welsh Government understands that, in some instances, applicants are unable to have these in place when making an application, therefore in this instance applications will be accepted prior to having these in place. However, these agreements will be required to be detailed within the application and will be required to be obtained before the project begins. A failure to have the necessary licences and or agreements in place may result in a withdrawal of Grant Award.

The payment of any grant will not be made until the original licence and/or agreement approval documents have been received and approved by the Welsh Government or if the project has been considered by the planning authority not to require planning consent, you will need to provide evidence from the planning authority.

Examples of activities which coastal capacity building could support are:

- Delivering the fisheries objectives, as outlined in the fisheries strategic approach
- Scaling up / building upon existing projects to address inclusion of capital items which add value and increase benefits to the project
- Improving facilities at ports and harbours which benefits the end user and the community
- Improving health and safety in fishing, aquaculture and coastal community areas
- Increasing collaborative approaches which support tackling the nature and climate emergencies
- Improving the management of the marine environment
- “Blue carbon” sequestration, such as seaweed carbon capture and restoration
- Developing sustainable aquaculture
- Developing sustainable tourism and recreation
- Developing local seafood supply chains
- Improving skills, knowledge and networks to engage with marine and coastal issues.

Purchase of Equipment

- The purchase of equipment is eligible providing that it is necessary for the delivery of the project.
- In the case of moveable equipment there must be an assurance that the equipment is for the sole use of Coastal Capacity Building Fund objectives with a rationale for the basis of costs.
- Third party applicants must ensure that equipment purchased with Welsh Government funding, whether owned by the third party applicants or owned by a third party, is properly

safeguarded. Equipment must be used and maintained for the purposes intended for a minimum of five years after funding.

All equipment must be properly procured

- In cases where items of equipment are purchased with Welsh Government funding, recipients must maintain an inventory for audit purposes. As a minimum the inventory should include the item name, model number, serial number, purchase price, date of purchase and location of the purchased item.

Ineligible Capital Expenditure

The following costs are ineligible for support. This list is not exhaustive and will be refined from time to time:

- Any equipment secured under a hire purchase or lease hire agreement
- Items which are required to meet regulatory standards
- Activities which fall outside of the grant funding timescale
- Operating costs (business not project)
- Reclaimable VAT (business not project)
- Purchase of trading stock
- Costs associated with the completion of Coastal Capacity Building Fund application forms, including the payment of consultants to provide support in the completion of the application forms
- Like for like replacement of existing machinery and equipment
- Core staff costs
- Interest on debt
- Bank charges on accounts
- Costs of guarantees provided by a bank or other financial institution
- Charges for financial transactions, foreign exchange commissions and losses, and other purely financial expenses
- Loan charges
- Interest or service charges – arising on leases and hire purchase arrangements;
- Costs resulting from the deferral of payments to creditors
- Costs involved in winding up a company
- Bad debts arising from loans to employees, proprietors, partners, directors, guarantors or shareholders
- Fines, financial penalties and expenses of litigation
- Staff costs that are not directly attributable to project delivery
- Training that is mandatory under statutory provision
- Payment for gifts and donations
- Entertainment costs
- Repairs and maintenance of existing assets
- Stand-alone costs of works being carried out as a statutory requirement
- Notional costs
- Payments for activity of a direct political nature
- Dividends for shareholders
- Costs incurred by individuals in setting up and contributing towards private pension schemes, or the setting up of such schemes by organisations in receipt of structural funds
- Payments for unfunded pensions; and
- Discounts.

Costs are only eligible for grant aid when the cost has been correctly defrayed by the claimant prior to submitting a claim.

As part of your application, you will be required to provide a breakdown of capital and revenue costs for your project.

Compliance

The following sets out some of the statutory requirements:

- Statutory Consents: Consents must be secured and evidenced.
- Procurement: Procurement should be undertaken in line with the organisation's standard procurement policies and procedures.
- Subsidy Control Act 2022: Welsh Government do not consider that this funding constitutes a Subsidy. Tests have to be met for the funding to be classed as Subsidy and for the Subsidy controls to apply:
 - The activity funded involves offering goods or services on a market;
 - The funding confers an advantage to one or more enterprises. It may offer terms and/or conditions they couldn't get from the market i.e. they are getting a benefit. The funding is support specific. It is only being offered to certain recipients or in certain locations. If it discriminates between enterprises based on size / location / activity etc. it is probably specific. The support has the potential to affect:
 1. Competition or investment in the UK.
 2. Trade or investment between the UK and a country/territory outside the UK.

Maintenance: Recipients are required to provide a five-year maintenance plan to demonstrate how the project will be sustained in future years. There should be consideration of capital requirements for additional phases of development if this is necessary.

GDPR: The Welsh Government has a legal obligation to process personal data in compliance with legislation, chiefly the General Data Protection Regulation (GDPR) and Data Protection Act 2018. You must also process personal data in compliance with legislation, chiefly the General Data Protection Regulation (GDPR) and Data Protection Act 2018.

Welsh Language: It is expected that you act in accordance with the Welsh Language (Wales) Measure 2011 and the aims of Cymraeg 2050. In practice, this will include the following:

- Ensure that any written material produced, including digital material, is bilingual.
- Ensure that any signage is bilingual.
- Ensure that any training or public events are held bilingually.
- Actively promote and facilitate the Welsh language (including providing services and increasing opportunities to use the Welsh language) within funded activities.

Please contact LNPCymru@wcva.cymru for any further clarification as to eligible activities.

Timeline

The application window will open on **23 March 2026** and close on **8 May 2026**.

All applications will be assessed by an independent panel coordinated by WCVA and successful applicants will be notified **25 May 2026**, projects to commence from **25 May 2026**.