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Cost-effectiveness analysis of ecosystem management with ecosystem services : from theory to practice

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1 **Cost-effectiveness analysis of ecosystem management with ecosystem services:**  
2 **from theory to practice**

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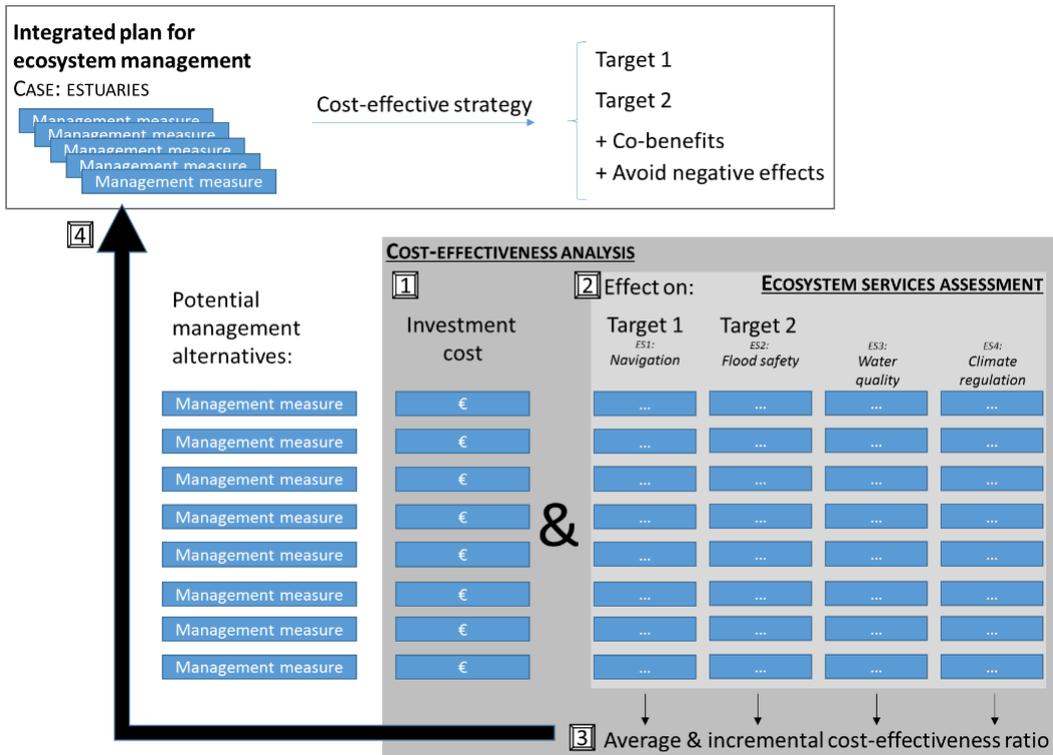
16 **Abstract**

17 Integrated ecosystem management is challenging due to many, often conflicting, targets and  
18 limited resources to allocate. A valuable and straightforward approach is to integrate an  
19 ecosystem services assessment in a cost-effectiveness analysis as method to evaluate and  
20 compare the cost-effectiveness of several management scenarios to reach one or more objectives  
21 and take into account the potential effects on other ecosystem functions and services.  
22 Nevertheless, this method is not commonly used in ecosystem management evaluation but can  
23 provide an alternative for the frequently used but often contested cost-benefit analysis (which  
24 requires the step of assigning a monetary value to each benefit). The aim of this study is to apply  
25 the cost-effectiveness analysis in combination with an ecosystem services assessment on a real  
26 case-study (comparing alternative management strategies for estuaries) to derive lessons learned  
27 to go from theory to practice. The application of this method for the case-study reveals many  
28 remaining challenges such as data availability and knowledge to assess ecosystem effects of  
29 management measures. Nevertheless, the analysis demonstrates that this method can be used for  
30 making a more integrated evaluation and supporting better-informed management decisions.

31

32 **Keywords:** average and incremental cost-effectiveness ratio, estuary, multiple management  
33 targets, integrated management decision

34 **Graphical abstract**



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36

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38 **Highlights**

- 39 • An ecosystem services assessment is integrated in a cost-effectiveness analysis.
- 40 • The method is applied on 4 management alternatives in estuaries.
- 41 • Despite data limitations, the cost-effectiveness is calculated for four ecosystem services.
- 42 • The main challenge of assessing management effects is finding a common indicator.
- 43 • Flood control areas are more cost-effective than traditional dikes.

## 44 **1 Introduction**

45 Optimal and cost-effective management of an ecosystem involves many stakeholders such as  
46 management agencies, cities, local residents, economic sectors, acting at different levels from local  
47 to global, with often contrasting interests and objectives (Turner et al. 2003, Sanon et al. 2012,  
48 Labiosa et al. 2013). This results in different environmental problems to be addressed  
49 simultaneously, with potential conflicts and trade-offs between economic, ecological,  
50 environmental and social interests (Halpern et al. 2011, Zhang et al. 2014). Indeed, managing an  
51 ecosystem to improve a single function can also have an impact on other ecosystem functions with  
52 positive (co-benefits) or negative (trade-offs) implications for the ecosystem functioning and  
53 society (Seppelt et al. 2013, Smith et al. 2013). Furthermore, policy and legislation is often  
54 disconnected in separate departments such as air, water and soil (Smith et al. 2013). The  
55 ecosystem services (ES) concept proved to be a useful framework to assess different ecosystem  
56 functions and links ecological and socio-economic interests (Boerema et al. 2017). Case-studies  
57 aim at optimising ecosystem management for several ES, e.g. for agricultural management  
58 (Crossman and Bryan 2009), forest management (Macmillan et al. 1998), integrated coastal and  
59 river management (Pouwels et al. 1995, Breen and Hynes 2014). A common method for project  
60 evaluation is a cost-benefit analysis. If combined with an ecosystem services analysis, a variety of  
61 economic, social and ecological benefits and costs of a project can be balanced (Boerema et al.  
62 2016). However, this requires that all costs and benefits are expressed in monetary values which  
63 is strongly discussed and contested (Gómez-Baggethun and Ruiz-Pérez 2011). An alternative  
64 economic approach that can be used for environmental management evaluation is a cost-  
65 effectiveness analysis. This method compares the investment cost with management effects and  
66 this could be expressed in any unit (Balana et al. 2011). Hence data requirements are lower and  
67 the step towards the monetary valuation of benefits can be avoided. As a disadvantage, the  
68 analysis treats each ES separately and integrating over different ES is not straightforward because  
69 they are expressed in different units. Nevertheless, management of ecosystems is oriented  
70 towards different targets and therefore it is important to make an integrated assessment of the  
71 impact of management alternatives for the different targets. This research paper tests the  
72 practical application of the cost-effectiveness analysis to evaluate and compare ecosystem  
73 management measures for multiple management targets and additional side-effects.

74 When managing environmental problems, the effectiveness of planned actions to solve the  
75 problem is an important criterion. In combination with general budget restrictions, this raises the  
76 questions to find the most cost-effective strategy to solve environmental problems at the least  
77 possible cost (Interwies et al. 2004). A cost-effectiveness analysis (CEA) is applied in very diverse  
78 cases to find an optimal and cost-effective solution, e.g. regarding site selection (e.g. Adame et al.  
79 2014), or forest management options (e.g. Tóth et al. 2013). Another application is to solve specific  
80 problems such as water quality improvement, pollution and eutrophication reduction (Comello et  
81 al. 2014), biodiversity conservation (Drechsler et al. 2007, Helm and Hepburn 2012), greenhouse  
82 gas emission reduction (MacLeod et al. 2010), water provision improvement (Yang 2011), and  
83 flood prevention (Dawson et al. 2011). Limited examples study the optimal strategy for integrated  
84 ecosystem management when taking into account several stakeholders and objectives (e.g.  
85 Pouwels et al. 1995). Most CEA studies related to environmental policy evaluation are theoretical  
86 and conceptual (Prato 2007, Wainger et al. 2010). Practical examples use mostly scores to  
87 estimate benefits of management options, either given by experts and/or stakeholders (e.g.  
88 Macmillan et al. 1998, Bryan 2010) or translated from biophysical data and models (e.g. Pouwels  
89 et al. 1995, Crossman and Bryan 2009). In these studies, a weighting factor, given by experts  
90 and/or stakeholders or randomly chosen (e.g. all with equal weight), is applied to make an  
91 integrated evaluation over several benefits.

92 Assessing the effectiveness of management measures is an important but challenging step in the  
93 CEA study. The impact on the targeted objective and also additional positive and negative effects  
94 should be investigated to take into account the impact on all the functions and services of the  
95 ecosystem (Balana et al. 2011). A common indicator should be found for each service to be able to  
96 compare the impact of different management measures (Convertino et al. 2013). This is  
97 challenging for services consisting of various components such as water quality regulation (e.g.  
98 different nutrients, oxygen, acidity etc.) (Smith et al. 2013). It is important to fully understand and  
99 be able to quantify the impact of management measures to the entire coupled ecologic and socio-  
100 economic system. Selecting the most effective management strategy for several objectives adds  
101 another degree of complexity since the impact on the different objectives could not be added up  
102 because the benefits are expressed in different units. The objective of this paper is to test and  
103 examine the approach to evaluate and select the most cost-effective ecosystem management  
104 strategy for optimising one or more specific ES objectives. First, the basic steps of the cost-  
105 effectiveness analysis are shortly described in Section 2. Second, the method is applied on a test  
106 case (management of the Scheldt estuary for two different management targets) in section 3.  
107 Lastly, section 4 discusses the challenges and lessons learned from the application of the CEA  
108 method on a real ecosystem management case.

## 109 **2 Method**

110 For a cost-effectiveness analysis, four steps are followed: (1) collecting data on the cost of the  
111 management measures; (2) quantifying the effect of each management measure on the different  
112 ES (targets, co-benefits, negative side effects); (3) calculating the average cost of each  
113 management measure for each ES (= cost/effect on ES); (4) selecting the most cost-effective  
114 management strategy.

### 115 2.1 Step 1: Cost of management measures

116 A good estimation of the investment cost is the first crucial step to calculate the average cost of  
117 management measures. Accounting for all costs, including social costs and indirect costs, is  
118 important (Interwies et al. 2004, Duke et al. 2013). Furthermore, also accounting for maintenance  
119 costs after construction is important to take into account. This requires to set a time period for  
120 the analysis.

### 121 2.2 Step 2: Effect of management measures on ES

122 Evaluating the effect of management measures on different ecosystem services enables the  
123 comparison of the effectiveness of the different management measures regarding a specific target  
124 but also the additional contribution to delivering ecosystem services and generating societal  
125 benefits. This requires a common indicator for each ecosystem service to be able to quantify and  
126 compare the effect of each management measure. A review on methods used to quantify  
127 ecosystem services revealed the diversity of indicators demonstrating the challenge of finding one  
128 common indicator (Boerema et al. 2017).

### 129 2.3 Step 3: Average cost to invest in ES

130 After collecting cost data and estimating the effect of each management measure on each ES, the  
131 average cost is calculated by dividing the cost by the ES impact (e.g. €/m<sup>3</sup>, €/cm, €/kgN, €/tonC).

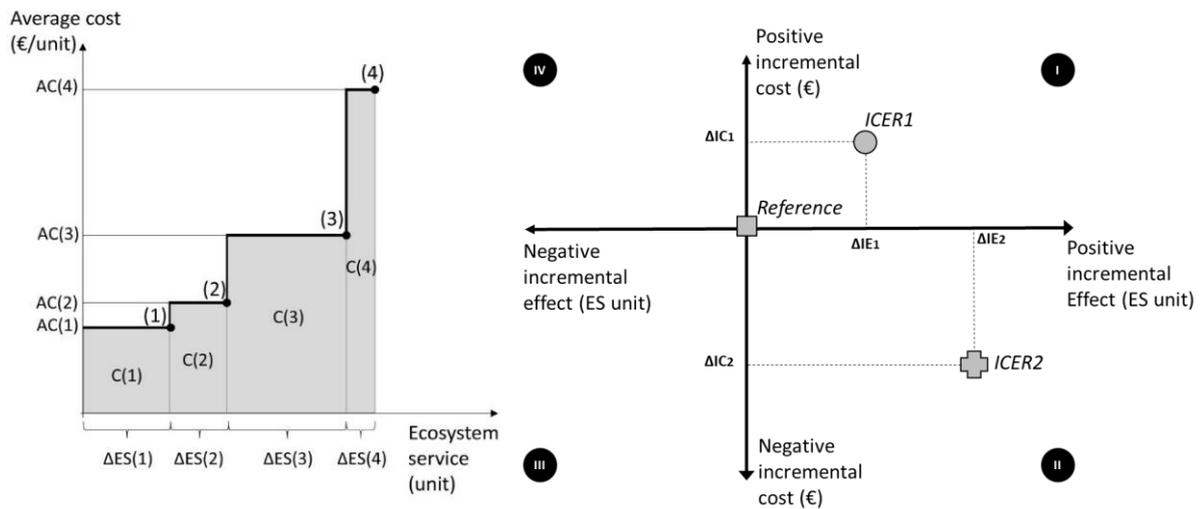
### 132 2.4 Step 4: Cost-effectiveness analysis

133 After calculating the average cost of management measures to invest in several ES, the next step  
134 is to select an optimal set of management measures to reach one or a variety of objectives in the  
135 most cost-efficient way. In an integrated cost-effectiveness analysis (for different ES), all ES are

136 treated separately since each ES is assessed in different units. Options for integration over several  
 137 ES effects are via ranking, visual integration or numerical integration. Visual integration based on  
 138 the average (ACER) and incremental cost effectiveness ratio (ICER) method is applied in this study  
 139 and both methods are shortly explained below (explained in detail in Compennolle et al. 2012).  
 140 ACER and ICER are the two most commonly used methods for a cost-effectiveness analysis and  
 141 give complementary results. The ACER approach results in an investment cost curve with details  
 142 about all measures in each investment strategy (scenario) per ES, while the ICER approach  
 143 compares the total outcome of each investment strategy (scenario) against each other per ES.

144 i. Average cost effectiveness ratio (ACER)

145 The ACER approach uses the average cost as selection criteria, i.e. ratio of the cost of a scenario  
 146 relative to the benefit (cost-benefit ratio, €/unit-benefit). Measures with a low average cost are  
 147 preferred over measures with a high average cost. After calculating the average cost of each  
 148 management measure, an investment curve is compiled by ranking the measures according to the  
 149 average cost (Figure 1 left panel). The X-axis gives the benefit of the measures for a specific ES  
 150 (e.g. kg nitrogen removed) and the Y-axis gives the average cost (e.g. €/kg nitrogen removal). The  
 151 surface under the investment curve equals the total cost of the measures (e.g. €/kg nitrogen × kg  
 152 nitrogen removed with the measure). The curve can be used to select a set of most cost-effective  
 153 measures given one of more criteria such as achieving a certain benefit (y-axis) or within a certain  
 154 budget (total surface).



155 **Figure 1:** Left: Average cost-effectiveness plane. Each management measure is represented as a  
 156 rectangular, with the width indicating the improvement for an ecosystem service ( $\Delta ES$ ) and the height  
 157 indicating the average cost to improve the ecosystem service on the y-axis ( $AC$ ). The surface of the  
 158 rectangular gives the total cost of the management measure ( $C$ ). Right: Incremental cost-effectiveness plane.  
 159 Each management measure is represented as a point in the plane showing a positive or negative  
 160 incremental effect (x-axis) and a positive or negative incremental cost (y-axis) compared to a reference  
 161 management measure (0-point in the plane). This results in a plane with four quadrants I-II-III-IV.  
 162

163 ii. Incremental cost effectiveness ratio (ICER)

164 For the ICER approach, measures are compared relative to one reference measure (0-point) in a  
 165 cost-effectiveness plane for both the cost (y-axis) and the effect on the ES (x-axis). This results in  
 166 four options (Figure 1 right panel): measure can have higher costs and higher effect on ES  
 167 compared to the reference measure (quadrant I), lower cost and higher effect on ES (quadrant II),  
 168 lower cost and lower effect on ES (quadrant III), or higher cost and lower effect on ES (quadrant  
 169 IV). This leads to following conclusions: measures that are preferred over the reference measure

170 (quadrant II, e.g. ICER2), measures that are not preferred over the reference (quadrant IV), or  
 171 measures for which it is not clear whether they are preferable over the reference (quadrant I and  
 172 III, e.g. ICER1).

### 173 3 Case-study and results

#### 174 3.1 Scenario building

175 The methodology is illustrated for the management of the Scheldt estuary, a representative  
 176 estuary for Northwest Europe. The Scheldt estuary, located in Belgium and the Netherlands, is a  
 177 large and dynamic ecosystem with many challenges and policy objectives related to increasing  
 178 harbour activities, increasing flood risk, poor water quality, reduced habitat and biodiversity, etc..  
 179 Hence, developing an integrated and cost-effective management strategy requires integrated  
 180 analysis of different management strategies for different targets and potential co-benefits and  
 181 negative side effects. For the case study, the ACER and ICER method are applied on five scenarios  
 182 that are built based on traditional and alternative management strategies for two targets  
 183 navigability and flood protection (table 1). For the navigability target traditional dredging is  
 184 compared with alternatives for dredging such as the nautical depth concept (or fluid mud concept)  
 185 and a sediment trap. For the flood control target traditional dike heightening is compared with  
 186 alternatives such as flood control areas and flood control areas with controlled reduced tide.

187 **Table 1:** Overview of five scenarios (Reference, S1, S2a, S2b, S3): set of traditional and alternative  
 188 management measures for two targets (navigability target and flood protection target)

Target	Strategy	Management measure(s)	Scenario				
			Reference	S1	S2a	S2b	S3
Navigability target	(i) Traditional	Dredging, land disposal	X		X	X	
	(ii) Alternatives	Fluid mud concept, sediment trap, beneficial use of dredged material		X			X
Flood protection target	(iii) Traditional	Dike heightening	X	X			
	(iv) Alternatives	Flood control area			X		
		Flood control area with controlled reduced tide				X	X

189

#### 190 3.2 Step 1: Cost of management measures

191 Data on the investment cost of the management measures is taken from projects in the Scheldt  
 192 estuary (management plan of the Upper Sea Scheldt, Lower Sea Scheldt and Western Scheldt),  
 193 projects studied in the EU Interreg IV B project TIDE on managing estuaries ([www.tide-toolbox.eu](http://www.tide-toolbox.eu)) and projects described and studied in international peer reviewed papers (Boerema and Meire 2017). Data on the cost of all measures in the scenarios is summarised in table 2 and details can be found in Appendix 1.

#### 197 3.3 Step 2: Effect of management measures on ES

198 To test and examine the cost-effectiveness methodology, the different scenarios are evaluated for  
 199 its impact on the two targets navigability and flood protection. Although not typically categorised  
 200 as ecosystem services, abiotic services such as navigability are provided by the carrier function of  
 201 biophysical river and marine structures. Therefore, water availability and water regulation that allows  
 202 for navigation (shipping) is added in several ecosystem services studies for rivers and marine systems  
 203 (Atkins et al. 2011, Jacobs et al. 2015). Furthermore, also the impact regarding two additional  
 204 ecosystem services are assessed (water quality regulation and climate regulation). These four ES  
 205 are considered to be important in estuaries with a harbour, large cities and pollution problems. In  
 206 addition, some pragmatic aspects also determined the selection of these services: a common unit

207 to quantify changes in the ES could be found and sufficient data was available to quantify the  
208 impact of at least several different management measures. Overall, quantitative data on the effects  
209 of management measures on the selected ES is limited (Boerema and Meire 2017) and the  
210 methods to express the effects of different measures vary a lot which complicates the comparison  
211 of effects between measures. A review on management for estuarine ecosystem services provides  
212 a database of studies that made a quantitative assessment of estuarine management measures on  
213 one or more ecosystem services (Boerema and Meire 2017). Relevant studies for the four selected  
214 ES were selected and reviewed to describe how the effect of management measures in estuaries  
215 are studied regarding navigation, flood safety, water quality regulation and climate regulation. For  
216 the purpose of the cost-effectiveness analysis, a common indicator was selected which enabled  
217 the comparison of most measures. A description of the variety of indicators and the selection of a  
218 common indicator used in this study is described below. Data on the impact on the four ES for all  
219 measures in the scenarios, is summarised in table 2 (details in Appendix 1). Regarding effects that  
220 have an annual character, a period of 10 years is considered.

221 For the **ES water quantity regulation for transportation (navigability)** we focus on the  
222 maintenance of navigation channels and not on the maintenance of harbours and docks for which  
223 other specific measures could be applied. Related to the navigability target, management  
224 measures can be grouped in three categories. First, measures to adapt the dimensions of the  
225 navigation channel by increasing the navigable depth and straightening meanders channel.  
226 Second, measures to reduce the need for dredging such as stabilising navigation channels (e.g.  
227 training wall), the nautical depth concept to increase the navigable depth without dredging  
228 (Manson and Pinnington 2012), and prevent shoreline erosion. Lastly, measures to dispose  
229 dredged material that allow to mitigate effects of dredging (e.g. habitat restoration and creation  
230 with dredged material).

231 The most common type of data that was found to express the effect on navigation is the volume of  
232 sediment that is removed or prevented to be deposited in the navigation channel ( $m^3$  sediment  
233 removed or avoided). The latter effect is usually in an indirect way by sediment burial elsewhere.  
234 This is expressed in annual  $m^3$  sediment buried per hectare. We assume that sediment that is  
235 buried outside the navigation channel will not be deposited in the navigation channel and hence  
236 results in a reduction of the need to dredge.

237 Related to the **ES flood protection**, management measures can contribute (or negatively  
238 influence) to this service in various ways. First, measures can change the tidal regime and high  
239 and low water levels by changing water to flow on land (e.g. dikes or intertidal nature) and by  
240 changing water to flow further upstream or downstream (e.g. barrier). Second, measures can  
241 provide water storage capacity in the system that changes discharge and high and low water levels  
242 during peak flows. Third, measures can contribute to energy dissipation and wave attenuation in  
243 the system by hard structures or vegetation (e.g. wetland creation). Fourth, measures can improve  
244 river drainage and water retention to mitigating the effects of floods and droughts.

245 The effect of management measures on flood safety is expressed in various ways such as reduction  
246 in mean high water level (cm), wave attenuation and reduction in wave height (cm, %), water  
247 storage capacity (ha,  $m^3$ ), river drainage and manning coefficient (%), flood risk level for the  
248 estuary (protected against storm surges with a risk of 1/xx years), and flooded area with damage  
249 (ha, €). The common unit for flood protection that is applicable to assess the impact of most  
250 management measures is a reduction in the mean high water level (MHWL), expressed in cm.  
251 However, many of the measures have an indirect effect: either by an increase of dike height (cm)  
252 or avoiding that higher dikes are required (cm avoided dike increase). To be able to compare the  
253 effect of the different measures on flood safety, we made a strong assumption that a cm MHWL  
254 reduction gives a similar effect on flood safety as cm dike increase. This follows from the simple

255 idea that improving flood safety requires either a lower high water level or a higher dike to block  
 256 the water. However, in reality both effects are not directly linked due to the dynamic  
 257 characteristics of flood risk and water levels in an estuary. This is further discussed in section 4.

258 The **ES water quality regulation** consists of many components (sub-services) that should be  
 259 studied separately such as nitrogen, phosphate, oxygen, and pollutants. Because nitrogen is one  
 260 of the important components in the water quality regulation, and, as a secondary and pragmatic  
 261 reason, because most available data relates to the impact on nitrogen, only nitrogen removal is  
 262 considered in this analysis as indicator of changes in water quality (kg nitrogen per hectare).  
 263 There are different ways how measures affect nitrogen concentrations: buried with  
 264 sedimentation (e.g. intertidal areas along the river), avoid new nitrogen input by reducing  
 265 nitrogen surplus that flows to the river (e.g. agro-measures), nitrogen removal with vegetation  
 266 removal (nitrogen content in the vegetation), and remobilising buried nitrogen (e.g. dredging).  
 267 The first two are considered to be directly comparable but the latter two are excluded because the  
 268 effect could not be expressed in the same unit.

269 Lastly, the **ES climate regulation** consists of several components (sub-services) such as carbon  
 270 sequestration, greenhouse gas emissions and local temperature effect. Following a similar  
 271 reasoning as for water quality, only carbon burial due to sedimentation is considered in this  
 272 analysis as indicator of changes in climate regulation (ton carbon per hectare per year). It is  
 273 assumed that this is permanent burial. This assumption is only valid in case of net sedimentation.

274 **Table 2:** Overview of management measures analysed for the different scenarios for the two targets  
 275 navigability and flood protection.

Targets	Traditional (T) or alternative (A) approach	Scenario			Management measure	Cost	Ecosystem services (ES)			
		R	S	S			Navigation	Flood protection	Water quality regulation (nitrogen)	Climate regulation (carbon)
		e	1	2			million m <sup>3</sup>	cm MHWL(i) reduction	kgN	tonC
Navigability: 3th deepening Scheldt: guarantee 13.1 meter depth <sup>(a)</sup>	T	X	X	X	Capital dredging	1-20 €/m <sup>3</sup> <sup>(b)</sup>	14	-5.5 à -10	Negative; no data available	0
					Maintenance dredging	1-20 €/m <sup>3</sup> <sup>(b)</sup>	100		Negative; no data available	0
					Land disposal	20-70 €/m <sup>3</sup> <sup>(b)</sup>	114	0	0	0
	A	X		X	Fluid mud	0 €/m <sup>3</sup>	57 <sup>(f)</sup>	0	0	0
					Sediment trap	1-20 €/m <sup>3</sup> for initial dredging; 1-5 €/m <sup>3</sup> for annual maintenance	112,500	0	0	0
					Remaining capital dredging	1-20 €/m <sup>3</sup> <sup>(b)</sup>	7	-2.25 à -5	Negative; no data available	0
					Remaining maintenance dredging	1-20 €/m <sup>3</sup> <sup>(b)</sup>	50		Negative; no data available	0
			Beneficial disposal	0.20 and 24 €/m <sup>3</sup> <sup>(c)</sup>	57	Positive; no data available	Positive or negative; no data available	Positive or negative; no data available		
Flood protection: safety level T4000 (Sigmaplan)	T	X	X		Dikes	255 million € <sup>(d)</sup>	0	115	0	0
	A(a)			X	Flood control area	263 million € <sup>(e)</sup>	0	Equivalent of 115	0	0
	A(b)			X	Flood control area with controlled reduced tide	277 million € <sup>(e)</sup>	270,000 <sup>(g)</sup>	Equivalent of 115	7,85,000 <sup>(h)</sup>	4,000 <sup>(h)</sup>
References and abbreviation: (a) (Arcadis-Technum 2004, De Wit and Sas 2007) (b) (OVAM 2003) (c) (Comoss et al. 2002, Yozzo et al. 2004, Boerema and Roose 2012, HPA 2012, Wasserman et al. 2013) (d) (Broekx et al. 2011) (e) (Smets et al. 2005)										

(f) (Kirby 2013)  
(g) (IMDC et al. 2004, Temmerman et al. 2004)  
(h) (Tijdelijke Vereniging Resource Analysis et al. 2004)  
(i) MHWL: mean high water level

276

### 277 3.4 Step 3 & 4: Average and incremental cost to invest in ES and the cost-effectiveness analysis 278 of estuarine management for 4 ES

#### 279 i. ACER approach: average cost effectiveness ratio

280 The results from the ACER approach show the investment cost curves of the 5 scenarios with  
281 details about the average cost of each measure in the scenarios to invest in navigability (Figure 2),  
282 flood protection (Figure 3A), water quality regulation (Figure 3B), and climate regulation (Figure  
283 3C). This enables the identification of measures with high or low impact on the ES (width of  
284 horizontal lines) and measures that have a high or low average cost to invest in the ES (y-axis).  
285 Similarities and differences between the investment cost curve of different scenarios gives insight  
286 in the scenarios (both regarding the investment cost and regarding the potential to invest in the  
287 ES). This is further explained below for each of the ES.

288 For the **ES navigability** (Figure 2), there are mainly two types of investment cost curves for the  
289 five scenarios: with a lower investment cost curve for the scenarios with alternative measures for  
290 dredging (scenarios S1 and S3), and higher investment cost curves for scenarios with traditional  
291 dredging (scenarios Ref., S2a, S2b). The financial benefits of the alternative measures are clearly  
292 shown in these graphs (lower average costs): first in scenarios S1 and S3 half of the dredging  
293 requirement is avoided by applying the fluid mud concept that is for free, and second the average  
294 cost of the beneficial sediment disposal in scenarios S1 and S3 is much lower than the average cost  
295 of land disposal applied in the other scenarios. Furthermore, the dimension of the sediment trap  
296 in our analysis is not beneficial in light of the sediment volumes that should be removed for the  
297 3th deepening of the Scheldt and the required maintenance. Lastly, the average cost of sediment  
298 burial in a flood control area or flood control area with controlled reduced tide (FCA-CRT) is 100  
299 times higher than sediment removal with dredging. Therefore, scenario S1 results in the most  
300 cost-effective outcome when optimising for the navigation target (because there is no investment  
301 in the measure FCA-CRT with an extreme high average cost for navigability).

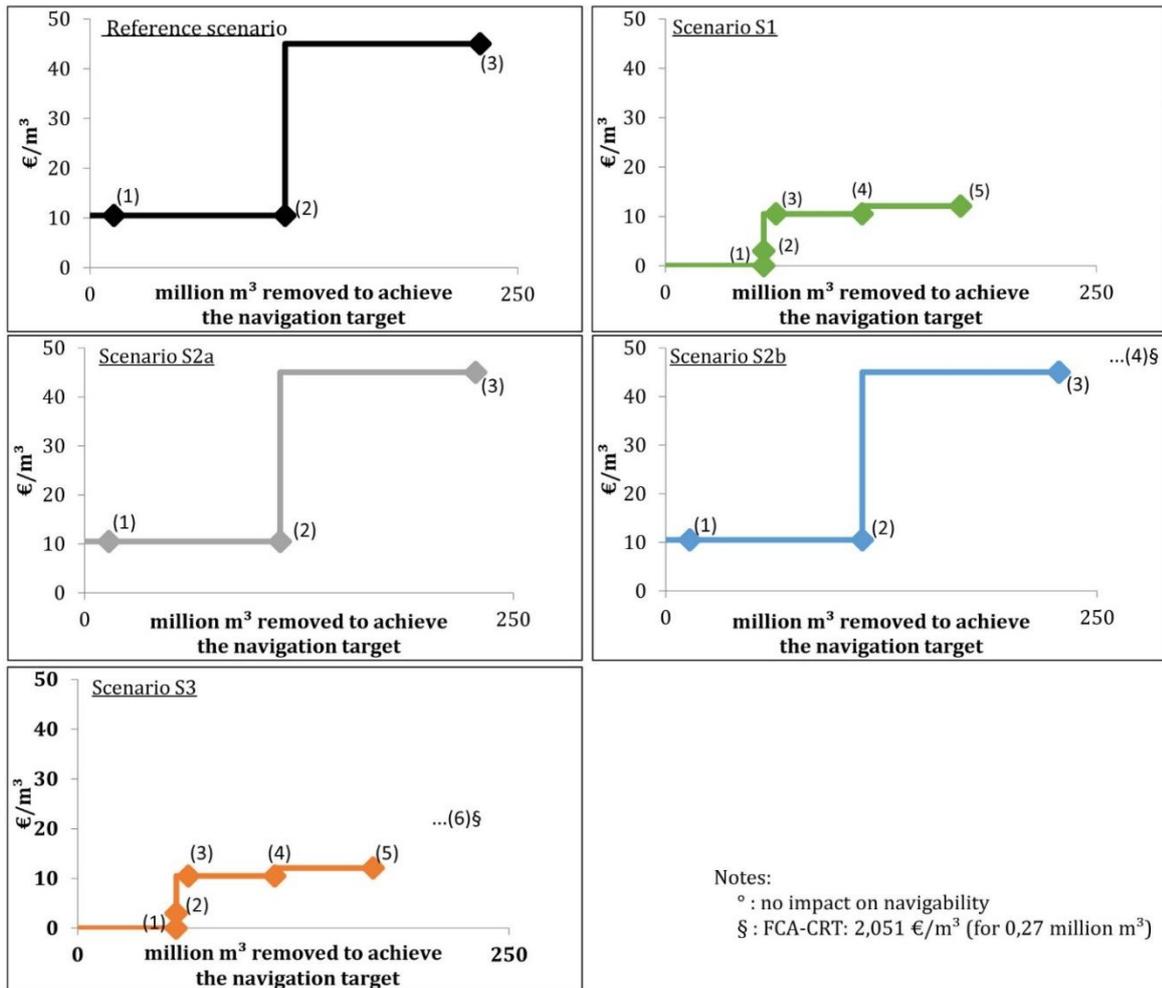
302 For the **ES flood protection** (Figure 3A), 3 different investment curves are visible with differences  
303 in the average cost but an equal effect on the ES. The traditional dike option gives the lowest  
304 average cost (scenarios Ref., S1), followed by FCA (scenario S2a) and the FCA-CRT (scenarios S2b,  
305 S3). The negative effect of traditional dredging (smaller in the scenarios with alternatives for  
306 dredging, S1 and S3), can easily be compensated by both the traditional dike strategy and the  
307 alternatives for dikes. Data on the impact of beneficial use of dredged material (for scenario S1  
308 and S3) is missing, but a potential positive effect is assumed (Table 2). Therefore, scenario S1  
309 results in the most cost-effective outcome when optimising for the flood protection target.

310 For the **ES water quality regulation** (Figure 3B) and **ES climate regulation** (Figure 3C), data is  
311 only available for the project FCA-CRT which is part of the scenarios S2b and S3. Related to water  
312 quality regulation, dredging is assumed to generate negative effects (by remobilising nutrients)  
313 but data to estimate this effect is missing. Hence, scenario S3 is the referenced scenario when  
314 focussing on water quality regulation (nitrogen removal).

#### 315 ii. ICER approach: incremental cost effectiveness ratio

316 In contrast to the ACER approach, the results from the ICER approach (Figure 4) show clearly the  
317 differences between the total outcomes of the different management scenarios (but not details for  
318 the different measures in each scenario). For the **ES navigability**, scenarios S1 and S3 (both with

319 alternatives for dredging) give the same outcome with less sediment volume to manage (170  
320 million m<sup>3</sup> instead of 215 million m<sup>3</sup>) and at the lowest total cost. Both scenarios also give the  
321 most cost-effective result for the **ES flood protection** because the total cost is lower for the same  
322 safety level (T4000) and a slightly better result for the MHWL since the negative effect of dredging  
323 is partially avoided. For the **ES water quality regulation** (nitrogen) and **ES climate regulation**  
324 (carbon), scenarios S2b and S3 (both with alternatives for dikes) give the most cost-effective  
325 result because the other scenarios have no effect on these ES. To conclude, the most cost-effective  
326 scenarios to invest in navigability and/or flood protection are S1 and S3 but when also water  
327 quality regulation and/or climate regulation are added to the decision exercise only S3 is overall  
328 most ideal (lowest investment cost to invest in all four ES).



**Ref.: traditional dredging + traditional dikes**

- (1) Capital dredging
- (2) Maintenance dredging
- (3) Land disposal dredged material
- (4) Dikes (°)

**S2a: traditional dredging + alternative for dikes (FCA)**

- (1) Capital dredging
- (2) Maintenance dredging
- (3) Land disposal dredged material
- (4) Flood control area (°)

**S3: alternatives for dredging + alternative for dikes (FCA-CRT)**

- (1) Fluid mud concept
- (2) Sediment trap
- (3) Capital dredging
- (4) Maintenance dredging
- (5) Disposal of dredged material in the system
- (6) Flood control area with controlled reduced tide (§)

**S1: alternatives for dredging + traditional dikes**

- (1) Fluid mud concept
- (2) Sediment trap
- (3) Capital dredging
- (4) Maintenance dredging
- (5) Disposal of dredged material in the system
- (6) Dikes (°)

**S2b: traditional dredging + alternative for dikes (FCA-CRT)**

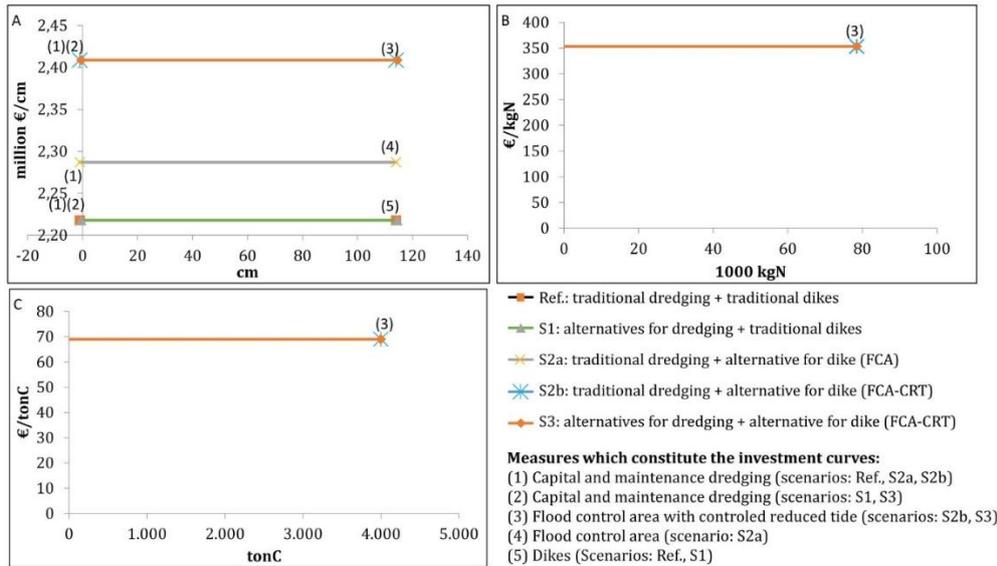
- (1) Capital dredging
- (2) Maintenance dredging
- (3) Land disposal dredged material
- (4) Flood control area with controlled reduced tide (§)

Notes:  
 ° : no impact on navigability  
 § : FCA-CRT: 2,051 €/m<sup>3</sup> (for 0,27 million m<sup>3</sup>)

329

330 **Figure 2:** Average cost effectiveness ratio (ACER): Investment curve per scenario for the ES **navigability**,  
 331 based on the efficiency of each management measure to achieve the navigation target (m<sup>3</sup> sediment  
 332 removed to achieve the target of the 3th deepening of the Scheldt) and its average cost. Notes: dikes and  
 333 flood control areas (FCA) have no impact on navigability (°) and the average cost of a flood control area with  
 334 controlled reduced tide (FCA-CRT) is too high to show in the graphs (§).

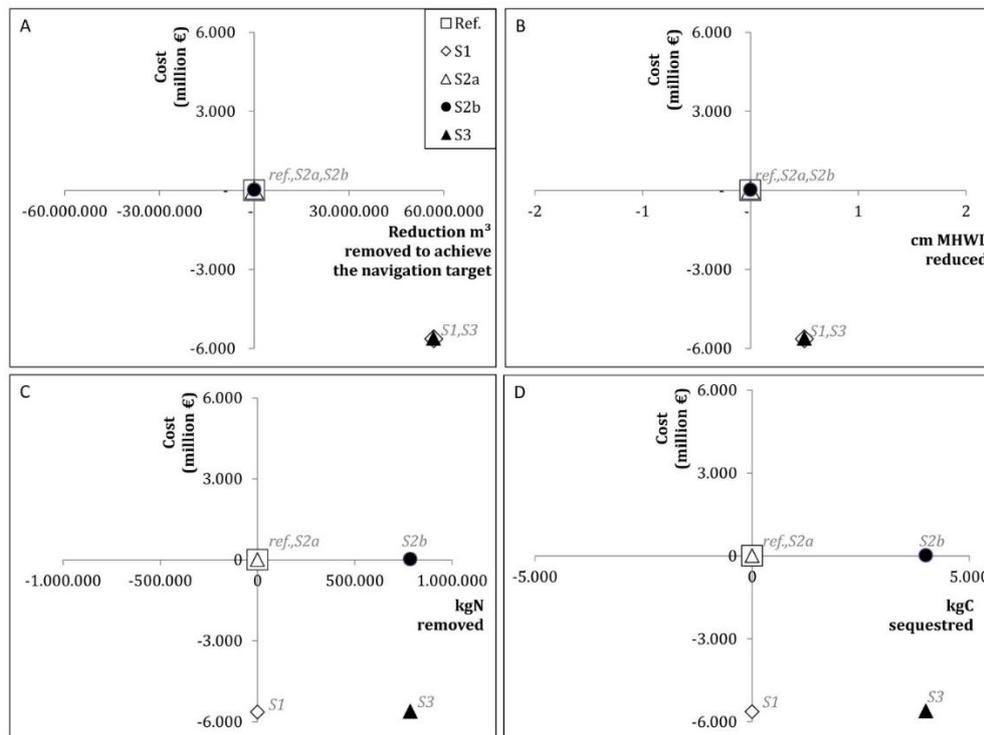
335



336

337 **Figure 3:** Average cost effectiveness ratio (ACER): Investment curve per scenario (Ref., S1, S2a, S2b, S3) for  
 338 the ES **flood protection** in cm (A), **water quality regulation** in kgN (B) and **climate regulation** tonC (C),  
 339 based on the contribution of each management measure to the ES (X-axis) and its average cost (Y-axis).  
 340 Related to the ES flood protection (A): all scenarios start with a negative value due to the dredging  
 341 measures: (1) being larger in case of the traditional dredging strategy (scenarios Ref., S2a and S2b) and (2)  
 342 smaller in case of the alternatives for dredging with less traditional dredging.

343



344

345 **Figure 4:** Incremental cost effectiveness ratio (ICER): comparing 5 scenarios for the 4 ES: A: navigability, B:  
 346 flood protection, C: water quality regulation (nitrogen), D: Climate regulation (carbon). Five scenarios are  
 347 compared: reference scenario with traditional dredging and traditional dikes; S1 with alternatives for  
 348 dredging and traditional dikes; S2 with traditional dredging and alternatives for dikes (S2a with flood  
 349 control area and A2b with flood control area with controlled reduced tide) and S3 with alternatives for  
 350 dredging and alternatives for dikes (with flood control area with controlled reduced tide).

## 351 **4 Challenges and lessons for practical applications**

352 Integrated management of an ecosystem is challenging when taking into account different targets  
353 and additional ES. The cost-effectiveness method combined with an ecosystem services  
354 assessment is tested in this study as method to select the most cost-effective management strategy  
355 when taking into account two main targets (navigability and flood protection) and two additional  
356 relevant services in the estuary (water quality regulation and climate regulation). The two mostly  
357 methods for a cost-effectiveness analysis are tested to select the most optimal set of management  
358 measures to optimise one or more ES in our case-study: average cost-effectiveness ratio (ACER)  
359 and incremental cost-effectiveness ratio (ICER). To calculate the cost-effectiveness of the  
360 management measures, several assumptions had to be made (e.g. effect of dredging on the mean  
361 high water level and related flood risk). As a result, the outcome of the exercise presented in this  
362 study is not to be seen as representative for the real world situation. Nevertheless, lessons are  
363 learned from the use of the available biophysical data in this exercise. A hypothetical exercise or  
364 the use of scores based on stakeholder preferences and expert judgement to estimate the impact  
365 of management projects (Pouwels et al. 1995, Bryan 2010) would have been easier and a way to  
366 avoid the lack of data and the need to make simplified assumptions. However, by using biophysical  
367 data as much as possible this study also includes a test of how far we can get with available data.  
368 At this stage, the available knowledge on the effects of management measures is still too limited  
369 to be able to make an accurate calculation of the cost-effectiveness. When more accurate data is  
370 available in the future, the method tested in this study can be used to select the most optimal  
371 management measures.

### 372 4.1 Step 1: Cost of management measures

373 The cost per management measure is retrieved from individual real-life projects (Scheldt estuary,  
374 TIDE projects and international literature). Regarding the cost of measures it is often not specified  
375 which part of the costs is included (e.g. construction cost, maintenance cost, labour cost, etc.). Data  
376 found on the investment cost of projects is assumed to account for all costs. For many measures,  
377 a large range in the cost data was found. This can be linked to the number of publications from  
378 which data is taken, but also the variability of costs depending on local conditions of the measures.  
379 An accurate estimate of the cost of the investigated management measures will be crucial for a  
380 realistic application of the cost-effectiveness analysis.

### 381 4.2 Step 2: Effect of management measures on ES

382 Finding a common indicator per ES to evaluate the impact of the different management measures  
383 on the same basis remains challenging. Many ES are complex with different components (Smith  
384 et al. 2013). By selecting only one indicator per ES only one aspect of the service is taken into  
385 account (Boerema et al. 2017). For example for flood protection, the most common unit is cm  
386 reduction in the mean high water level (MHWL) but then the storage capacity of the system is not  
387 taken into account and neither is energy dissipation and wave attenuation. Other examples are  
388 that only the impact for nitrogen is considered as indicator for water quality regulation and  
389 carbon sequestration for climate regulation. When different aspects of a service cannot be  
390 combined in one indicator, different indicators should be selected and considered as separate sub-  
391 services for which a separate effectiveness assessment should be undertaken.

392 Furthermore, available data for certain management measures can be expressed in an indicator  
393 other than the selected indicator. For that reason, these management measures had to be excluded  
394 from the analysis. Based on the available data and the diversity of units that are in use to estimate  
395 the impact of management measures, it appears impossible to compare all management practices  
396 with only one metrics per ES.

397 Overall, we were able to find an indicator for each ES to compare the impact of a diverse set of  
398 management measures. However, to do so we had to make assumptions about the direct link  
399 between several effects. Related to navigability, it was assumed that the actual m<sup>3</sup> sediment  
400 removed from the navigation channel has the same impact as m<sup>3</sup> sediment buried outside the  
401 navigation channel with the reasoning that it will not end in the navigation channel and dredging  
402 of this volume is avoided. For flood protection, a direct link is assumed between a reduction in the  
403 mean high water level (cm) and increase in dike height (cm) or avoided need to increase the dike  
404 height (cm). For nitrogen removal, linked to water quality regulation, it was assumed that the kg  
405 nitrogen buried with sedimentation (e.g. in intertidal areas along the river) has the same impact  
406 as the kg nitrogen that is avoided by reducing nitrogen surplus that flows to the river (e.g. agro-  
407 measures to reduce nutrient leaching). However, in reality it is not guaranteed that these effects  
408 are directly linked (e.g. that the volume of sediment buried outside the navigation channel is  
409 avoided from the navigation channel and would otherwise have been dredged). As argued before,  
410 the main focus of this study was on the methodology of combining an ES assessment with a cost-  
411 effectiveness analysis to evaluate and compare management measures. When more knowledge on  
412 the impact of management measures is available in the future and when the effects are expressed  
413 in a consistent unit, the outcome of the illustrated method will be improved.

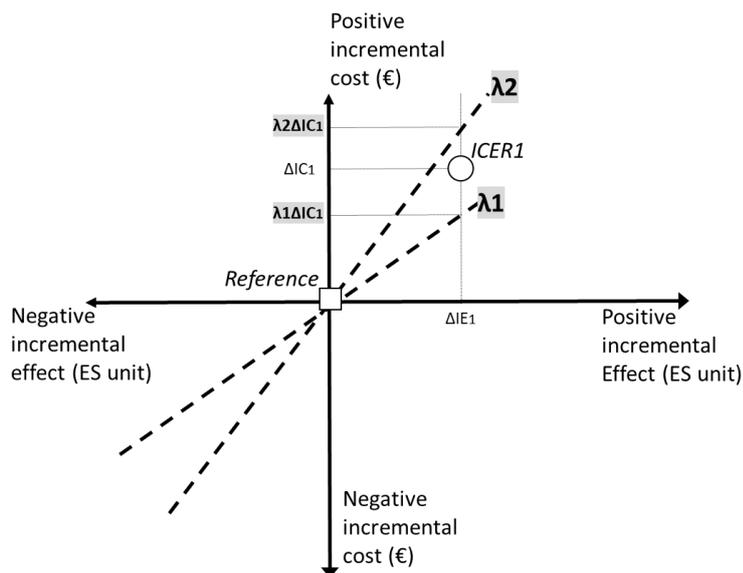
#### 414 4.3 Step 3 & 4: Average and incremental cost to invest in ES and the cost-effectiveness analysis 415 of estuarine management for 4 ES

##### 416 i. Visual integration for several ES with ACER and ICER

417 The ACER approach gives details about all projects in each investment strategy (scenario). By  
418 looking at the average cost to realise an improvement for a certain ES, information about the total  
419 cost is however lacking. The total cost is simply the surface under the investment curve (Figure 2-  
420 3), but with complicated investment curves it can be hard to compare visually. The ICER approach  
421 gives a better insight in the total outcome, but without details about the investment strategy and  
422 individual projects in the scenarios. Therefore, we conclude that both methods provide  
423 supplementary information. For both approaches hold that visual integration for several ES is only  
424 possible with a limited amount of decision options (scenarios) and/or for a limited amount of ES.

425 By comparing scenarios with the ACER and ICER approach, synergies and trade-offs for integrated  
426 management of different ES can be revealed. For scenarios that are more expensive with a higher  
427 ES impact, or less expensive with less impact, it is not possible to make a conclusive decision if it  
428 is better or worse than other scenarios. If a scenario is good for one ES but generate a negative  
429 effect for another ES, this scenario should not be excluded necessarily when the negative effect  
430 can be compensated. However, when this negative effect cannot be compensated this can be used  
431 as a conclusive reason to exclude the scenario.

432 In case no conclusive decision can be made between scenarios (e.g. higher effect but also higher  
433 cost), a cost-benefit ratio can be determined to compare the net benefit of the alternatives even if  
434 the benefits are not expressed in monetary terms (figure 5). A lower ( $\lambda_1$ ) or higher ( $\lambda_2$ ) monetary  
435 value (€/ES unit) will result in a lower or higher monetary value of the incremental effect ( $\lambda_2\Delta ES_1$   
436  $> \lambda_1\Delta ES_1$ ). The difference between the monetary value of the incremental effect and the  
437 incremental cost gives the net benefit which can be positive ( $\lambda_2\Delta ES_1 > \Delta IC_1$ ) or negative ( $\lambda_2\Delta ES_1$   
438  $< \Delta IC_1$ ). ICER1 is only preferred over the reference in case of a positive net benefit (with  $\lambda_2$ ).  
439 However, this requires that a monetary value of the effect on an ES can be determined. It can be  
440 discussed if this is always necessary. The visual integration is easier because you avoid the step of  
441 monetary valuation and this can be sufficient for its main purpose: informing decision makers by  
442 giving a better insight in the different effects of the management options (not only the intended  
443 effects).



444

445 **Figure 5:** The relationship between the incremental cost effectiveness ratio (ICER) and net benefit can be  
 446 studied with a willingness to pay line ( $\lambda$ ). A different  $\lambda$ -line can determine the preference for a certain  
 447 management alternative. In case of  $\lambda_1$  (lower €/unit), the monetary value of the incremental effect ( $\lambda_1\Delta IE_1$ )  
 448 is lower than the incremental cost ( $\Delta IC_1$ ) and the reference is preferred over ICER1. In case of  $\lambda_2$  (higher  
 449 €/unit), the monetary value of the incremental effect ( $\lambda_2\Delta IE_1$ ) is larger than the incremental cost ( $\Delta IC_1$ ) and  
 450 ICER1 is preferred over the reference.

451 ii. Selecting the most optimal management strategy

452 The most optimal strategy can differ depending on the ES that are targeted. When optimising for  
 453 the ES navigability or flood protection, scenarios 1 and 3 are most cost-effective. This means that  
 454 the alternative strategy for dredging is dominant both for navigability (much cheaper) and flood  
 455 protection (reduction of the negative effect of traditional dredging). When optimising for water  
 456 quality regulation or climate regulation, scenarios 2b and 3 are optimal because only these  
 457 scenarios contain the FCA-CRT management measure which is the only measure in this analysis  
 458 with a positive effect on these ES. Overall, this means that scenario 3 is the most optimal strategy  
 459 for integrated management of the 4 considered ES. When including more ES in the analysis, finding  
 460 one alternative that is most cost-effective for all ES will become more difficult with only a visual  
 461 integration. The next step will be to determine the pareto options with an indifferent preference  
 462 when all ES are considered equal or the ES can be weighted and added together in a multi-criteria  
 463 analysis (Bryan 2010).

464 Our approach followed a cost minimization strategy to reach two targets at the least possible cost  
 465 without taking into account possible budget restrictions. The most optimal scenario (S3) is one of  
 466 the cheapest scenarios (together with S1, Figure 4). An alternative is a benefit maximization  
 467 strategy per ES to generate the most benefits for a given budget (Balana et al. 2011). In the latter  
 468 approach, the results will largely depend on the budget size (Duke et al. 2013). In our case, when  
 469 budget restrictions would be lower than the total cost of scenario 3, other more cost-efficient  
 470 management measures would be required or the objectives (that were now stated to detect the  
 471 cost minimization strategy) could not be met. For each ES, the best benefit maximization strategy  
 472 can be selected and the outcome can be visually compared for different ES. Treating each ES  
 473 separately is inherent for the CEA method as each ES is assessed in a different unit. This allows to  
 474 avoid the, often contested step, of assessing all natural, social and economic benefits in a monetary  
 475 value which can imply that some benefits are excluded from the analysis when it cannot be  
 476 expressed in a monetary value. Furthermore, the occurrence of both positive and negative effects

477 on different ES and for different stakeholders are not masked as is the case when summing all  
478 benefits in a cost-benefit analysis (Suzuki and Iwasa 2009).

#### 479 4.4 Remaining challenges and way forward

480 A limited set of 4 ES was selected to be able to focus on the methodology and not on the complexity  
481 of adding more ES. Nevertheless, it is possible to extend this method for many other functions and  
482 ES. An important advantage of the presented method (in comparison to the mostly used but also  
483 strongly contested cost-benefits analysis) is that monetary valuation of the effects is not necessary  
484 and there is no risk of double counting or masking inequality since the effects are not added  
485 together in one net sum. Therefore, this method can also account for the impact of management  
486 measures on, for example, habitat and biodiversity. Being able to account for all environmental,  
487 social and economic effects is crucial when designing an integrated management plan for an  
488 ecosystem. Nevertheless, testing this method on a case-study revealed several remaining  
489 challenges.

490 Aspects related to the spatial and temporal scale of ecosystem management are not addressed in  
491 this analysis. A spatial analysis is advised to take into account geographical specifications of  
492 ecosystem management and its impact for ES benefits (Crossman and Bryan 2009, Wainger et al.  
493 2010). It can be assumed that management measures implemented at different locations of the  
494 ecosystem can result in different effects for ES (e.g. depending on gradients such as salinity in an  
495 estuary). Furthermore, when specific targets are defined for different regions in the ecosystem  
496 this will add another level of complexity since certain management measures can be effective only  
497 for certain regions. Another aspect linked to the spatial scale, is the size of management measures.  
498 We assumed linearity with size in this assessment, but it is expected that one large project or  
499 several smaller projects can result in different effects for ES.

500 A time scale of 10 years is considered in the scenario analysis without discounting costs for this  
501 short period. Choosing the time span of the analysis will depend on for example whether short  
502 term or long term targets are considered or whether an ultimate objective or a milestone towards  
503 a long term objective is considered (Vogt-Schilb and Hallegatte 2014). A longer time period can  
504 be necessary because the effects of management measures can be delayed (e.g. due to processes  
505 such as ecological succession). However, making an analysis for a long time period can cause  
506 intertemporal complications such as changing targets or changing budgets over time (Duke et al.  
507 2013).

508 Developing an integrated management strategy requires the assessment of relationships between  
509 management measures and between the impact for different ES (Sanon et al. 2012, Smith et al.  
510 2013). However, in most cases the impact of a management measure is estimated independently  
511 of its impact for other ES and independently of the impact of other management measures. An  
512 intertidal areas along an estuary river, for example, generates several positive effects such as  
513 sediment burial (linked to habitat development and nutrient burial) and water storage (linked to  
514 flood protection). However, in case of high sedimentation, large volumes of sediment are stored  
515 which is good for nutrient burial but which decreases the water storage capacity. The latter is a  
516 disadvantage for flood protection. Therefore, the impact of intertidal areas could not be high for  
517 both functions. Furthermore, different investments that are implemented together could interact  
518 and strengthen or lessen the effect of other investments.

519 The case study in this paper was intended as exercise to test and examine different techniques for  
520 a cost-effectiveness analysis in combination with an ES assessment and by using available cost  
521 data and biophysical data. Due to data limitations, many assumptions and hypothetical  
522 considerations were necessary. This study shows that the available knowledge is still too limited

523 to make realistic estimates of the cost-effectiveness of management measures for different  
524 important ecosystem functions and services. In addition, the effects that are studied are often  
525 expressed in different units which makes comparison impossible. Despite some remaining  
526 challenges, this study demonstrates the added value of the approach to inform decision making in  
527 the development of an integrated management plan while taking into account the effects on both  
528 ecology and society.

## 529 **5 Appendix 1**

### 530 **i. Cost data for the scenarios**

- 531     ▪ Traditional dredging: The cost for traditional dredging is 6270 million € which is the total  
532 cost of the 3th widening and deepening of the Scheldt estuary (1140 million € for capital  
533 and maintenance dredging and 5130 million € for disposal of dredged material).  
534 Different studies on beneficial disposal of dredged material, e.g. for habitat  
535 restoration and creation, reveal an average cost of 0.20-24 €/m<sup>3</sup> (Comoss et al.  
536 2002, Yozzo et al. 2004, Boerema and Roose 2012, HPA 2012, Wasserman et al.  
537 2013).
- 538     ▪ Alternatives for dredging:
  - 539         ○ Nautical depth concept: no cost, but savings in dredging. When assuming that the  
540 nautical depth concept applies to all locations, this would mean that about half of  
541 the dredging can be avoided.
  - 542         ○ A sediment trap can be built in various sizes to trap incoming sediment and reduce  
543 sediment supply in the estuary. For the calculation, a sediment trap from which  
544 annually 10,000 m<sup>3</sup> can be dredged is assumed. To build the sediment trap, an  
545 initial dredging of 12,500 m<sup>3</sup> is required (trap efficiency is about 70-90%). By  
546 reducing the dredging activity to one location, the morphology of the river is much  
547 less affected. Therefore we assume that the mean high water level will not be  
548 influenced by a sediment trap. The cost to maintain a sediment trap is estimated  
549 based on the lower end of the cost range for dredging (1-5 €/m<sup>3</sup>) because it is  
550 easier and more efficient to dredge at one location. The total cost for the sediment  
551 trap is 0.4 million €.
- 552     ▪ Traditional dikes: This requires a heightening of the former safety dikes with 115 cm to  
553 the new Sigma height of 9.15, 9.5 or 10.35 m TAW depending on the location in the estuary,  
554 at a cost of 255 million € (IMDC et al. 2004, Broekx et al. 2011).
- 555     ▪ Alternatives for dikes: The FCA is less expensive compared to the FCA-CRT but generates  
556 no additional benefits on the other ES.

### 557 **ii. Impact of the scenarios on the navigation target**

- 558     ▪ **Target**: target from the 3th deepening of the Scheldt estuary
- 559     ▪ Traditional dredging: The management strategy traditional dredging consists of capital  
560 and maintenance dredging to realise the target of the 3th deepening of Scheldt estuary  
561 and land disposal of the dredged material. To realise the target for navigability, 114  
562 million m<sup>3</sup> should be dredged and disposed.
- 563     ▪ Alternatives for dredging: For the management strategy alternatives for dredging,  
564 following management measures are included: fluid mud concept, sediment trap,  
565 traditional dredging for the remaining requirements and beneficial disposal of dredged  
566 material (e.g. underwater disposal, habitat nourishment).
  - 567         ○ The fluid mud concept (or nautical depth concept) takes into account that mud  
568 with a density up to 1250 kg/m<sup>3</sup> is still navigable and can be considered as part of

569 the required depth including the safety margin of 12.5% (Fettweis et al. 2011,  
 570 Manson and Pinnington 2012, Kirby 2013). This provides an additional 2 to 3 m of  
 571 nautical depth that should not be dredged (Kirby 2013). During the 3th Scheldt  
 572 deepening about 3 to 4 m is removed to guarantee a depth of 14.7 m to reach the  
 573 harbour of Antwerp. When assuming that the nautical depth concept applies to all  
 574 locations, this would mean that about half of the dredging can be avoided.

- 575 ○ A sediment trap can be built in various sizes to trap incoming sediment and reduce  
 576 sediment supply in the estuary. For the calculation, a sediment trap from which  
 577 annually 10,000 m<sup>3</sup> can be dredged is assumed. To build the sediment trap, an  
 578 initial dredging of 12,500 m<sup>3</sup> is required (trap efficiency is about 70-90%).
- 579 ○ Since the alternatives fluid mud concept and sediment trap are not sufficient to  
 580 replace the entire dredging target, 50% of the traditional dredging is still required  
 581 to have the same result as with the traditional dredging scenario. A small amount,  
 582 10,000 m<sup>3</sup>, will be dredged annually from the sediment trap at a lower cost. By  
 583 reducing traditional dredging with 50%, we assume correspondingly a reduction  
 584 of 50% in the effect on the ES. For the period of 10 years, this means that only  
 585 57,012,500 m<sup>3</sup> dredged material should be disposed.
- 586 ○ As alternative for the traditional land disposal, beneficial strategies such as  
 587 underwater disposal to fill deep areas in the channel or habitat nourishment are  
 588 assumed.

- 589 ▪ Traditional dikes: no impact on navigability
- 590 ▪ Alternatives for dikes: The FCA-CRT will generate additional effects for navigability  
 591 (annual burial of 135,000 ton in the new area (IMDC et al. 2004), or 270,000 m<sup>3</sup> of  
 592 sediment calculated based on an average bulk density of 500 kg m<sup>-3</sup> in the Scheldt  
 593 (Temmerman et al. 2004)).

### 594 **iii. Impact of the scenarios on the flood safety target**

- 595 ▪ **Target**: target from the Sigmaplan (flood protection management plan for the Flemish  
 596 part of the Scheldt estuary)
- 597 ▪ Traditional dikes: The management strategy traditional dikes include the heightening and  
 598 strengthening of dikes to a safety level of T4000 which means a protection against a storm  
 599 with an occurrence of once in 4,000 years. This requires a heightening of the former safety  
 600 dikes with 115 cm to the new Sigma height of 9.15, 9.5 or 10.35 m TAW depending on the  
 601 location in the estuary (IMDC et al. 2004, Broekx et al. 2011).
- 602 ▪ Alternatives for dikes: The management strategy alternatives for traditional dikes consist  
 603 of two sub-alternatives: a) flood control area (FCA) and b) flood control area with  
 604 controlled reduced tide (FCA-CRT). For both alternatives an area of 2800 ha of flood  
 605 control area can also realise a safety level of T4000 and is hence equivalent to 115 cm  
 606 increase in dike height (IMDC et al. 2004).
- 607 ▪ Traditional dredging: Historic data from the Scheldt shows an increase in the mean high  
 608 water level of 55 mm between 1966 and 1982 after a deepening by 4 m and 100 mm  
 609 between 1997 and 1999 after a deepening by 1.4 m (Cox et al. 2003). The order of  
 610 magnitude is comparable with the annual sea level rise (0.05 m/y), an extrapolation of the  
 611 locally observed average rate of MHWL rise since 1930 (Temmerman et al. 2004). Hence,  
 612 it is expected that dredging causes a substantial negative effect on the service flood  
 613 protection. However, this is a very simplistic assumption and should be interpreted only  
 614 as indication of a potential negative effect. The direct cause-effect relationship between  
 615 the increase in MHWL and the deepening is not generic and several other causes of the  
 616 MHWL increase are involved.
- 617 ▪ Alternatives for dredging:

- 618                   ○ With the beneficial use of dredged material, the morphology of the river can be  
619                   adapted with potential positive effects on flood protection.

620 **iv. Impact of the scenarios on water quality regulation**

- 621                   ▪ Traditional dredging: For the service water quality regulation, dredging has a negative  
622                   effect by remobilising nutrients and contaminants and causing higher turbidity. However,  
623                   dredging can be used to remove highly contaminated sediment and prevent  
624                   contamination of the river water (AKWA 2004, Zhong et al. 2010). Since data is lacking to  
625                   estimate the negative effect of dredging on water quality, this effect is not taken into  
626                   consideration. However, when discussing the results a qualitative assessment is added for  
627                   the effects that are not quantified. Land disposal has normally no effect on water quality,  
628                   although there is a risk for leaching contaminants.
- 629                   ▪ Alternatives for dredging: Relocating the material in the system might re-suspend stored  
630                   carbon and nitrogen which is negative for the service water quality regulation (nitrogen  
631                   removal).
- 632                   ▪ Traditional dikes: no impact on water quality
- 633                   ▪ Alternatives for dikes: The FCA-CRT will generate additional effects for water quality  
634                   regulation (a total of 785 ton nitrogen removal per year in the new area).

635 **v. Impact of the scenarios on climate regulation**

- 636                   ▪ Traditional dredging: Dredging and land disposal have no direct effect on the service  
637                   climate regulation, except that it generates emissions from machinery and fuel use (Bates  
638                   et al. 2015). This does however not affect service delivery but rather enhances the demand  
639                   for the service.
- 640                   ▪ Alternatives for dredging: Relocating the material in the system might re-suspend stored  
641                   carbon and nitrogen which is negative for the service climate regulation (carbon burial).
- 642                   ▪ Traditional dikes: no impact on climate regulation
- 643                   ▪ Alternatives for dikes: The FCA-CRT will generate additional effects for climate regulation  
644                   (annual sequestration of 1.5 ton C/ha/y or a total of 4,000 ton carbon per year in the new  
645                   area) (IMDC et al. 2004).

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