

# A Guideline for Establishing and Operationalizing a Multi-Stakeholder Platform for Landscape Restoration and Payment for Ecosystem Services: The Case of Omo-Gibe Living Landscape, Ethiopia

Wolde Mekuria, Amare Hailelassie, Zenebe Adimassu

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## Authors

**Wolde Mekuria**, Senior Researcher – Environment and Development, International Water Management Institute (IWMI), Addis Ababa, Ethiopia ([w.bori@cgiar.org](mailto:w.bori@cgiar.org))

**Amare Hailelassie**, Principal Researcher – Agricultural Water Management, IWMI, Addis Ababa, Ethiopia ([a.hailelassie@cgiar.org](mailto:a.hailelassie@cgiar.org))

**Zenebe Adimassu**, International Center for Tropical Agriculture (CIAT), Addis Ababa, Ethiopia ([Z.Teferi@cgiar.org](mailto:Z.Teferi@cgiar.org))

## Author contributions

Conceptualization: Wolde Mekuria; Data curation: Wolde Mekuria, Amare Hailelassie; Formal analysis: Wolde Mekuria; Methodology: Wolde Mekuria, Amare Hailelassie; Project administration: Wolde Mekuria; Writing-original draft preparation: Wolde Mekuria; Writing – review and editing: Wolde Mekuria, Amare Hailelassie, Zenebe Adimassu; Funding acquisition: Wolde Mekuria; Supervision: Wolde Mekuria; Validation: Wolde Mekuria

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## CGIAR Multifunctional Landscape Program

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**Front cover photo:** A scene of a catchment at the back of the Gibe III hydroelectric dam (photo by Wolde Mekuria).

**Back cover photo:** A degraded sub-watershed in the Omo-Ghibe living landscape (photo by Wolde Mekuria).

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## Acronyms and abbreviations

|                          |                                                      |
|--------------------------|------------------------------------------------------|
| <b>AI</b>                | Artificial intelligence                              |
| <b>CIAT</b>              | International Center for Tropical Agriculture        |
| <b>EIA</b>               | Environmental Impact Assessment                      |
| <b>GESI</b>              | Gender equality and social inclusion                 |
| <b>GLI</b>               | Green Legacy Initiative                              |
| <b>IWMI</b>              | International Water Management Institute             |
| <b>IWRM</b>              | Integrated Water Resources Management                |
| <b>LULC</b>              | Land Use Land Cover                                  |
| <b>MEAL</b>              | Monitoring, Evaluation, Accountability, and Learning |
| <b>MFL</b>               | Multifunctional Landscapes                           |
| <b>MoU</b>               | Memorandum of Understanding                          |
| <b>MRV</b>               | Monitoring, reporting, and verification              |
| <b>MSP (plural MSPs)</b> | Multi-Stakeholder Platform(s)                        |
| <b>PES</b>               | Payment for Ecosystem Services                       |
| <b>PPP</b>               | Public–Private Partnership                           |
| <b>ToR</b>               | Terms of Reference                                   |
| <b>TWG (plural TWGs)</b> | Technical Working Group(s)                           |

## Executive Summary

This guideline is a practical technical reference prepared by the International Water Management Institute (IWMI) under the CGIAR Multifunctional Landscapes Science Program. It is intended primarily for federal institutions with statutory mandates for ecosystem services, forest restoration and basin management — in particular the Environmental Protection Authority (EPA), Ethiopian Forestry Development (EFD), the Ministry of Water and Energy (MoWE) and the Omo-Gibe Basin Administration Office (BAO) — as well as for the regional, zonal and woreda administrations, Ethiopian Electric Power (operator of the Gibe III facility), irrigation and urban water users, community and watershed institutions, development partners, NGOs and research institutions working in the Omo-Gibe Basin. The document is offered as a reference to inform, not to substitute for, the statutory processes through which any Multi-Stakeholder Platform (MSP) would ultimately be established.

This guideline provides a structured framework for establishing and operating a Multi-Stakeholder Platform (MSP) to support landscape restoration and Payment for Ecosystem Services (PES) in Ethiopia's Omo-Gibe River Basin, with an initial operational focus on the Gibe III hydroelectric dam catchment — the MFL-designated flagship living landscape — and a phased pathway to scale to the wider basin. The basin is ecologically and economically vital, hosting major hydropower and irrigation infrastructure; however, it faces severe land degradation, sedimentation, and climate-related pressures that threaten ecosystems and infrastructure. The rationale for an MSP is drawn from two consultative meetings — one at national level and one at the sub-basin/living-landscape level — which jointly identified the need for a coordination platform that integrates PES with landscape restoration across upstream and downstream actors.

The guideline outlines the basin's biophysical and socio-economic context, highlighting the degradation of forests, wetlands, and agricultural lands, and the resulting impacts on water flow and the sustainability of hydropower infrastructure. It emphasizes the enabling policy environments in Ethiopia, including the environmental, watershed, and landscape restoration policies and strategies, the Basins' High Council Establishment Proclamation No. 1375/2025, the Riparian Buffer Zone Management Proclamation No. 1382/2025, and the recent Payment for Ecosystem Services Proclamation No. 1401/2026, which collectively support integrated landscape approaches and the realization of PES. The document proposes a phased approach to MSP establishment: (1) diagnostic assessments and stakeholder mapping; (2) formalization of the platform and governance structures; (3) implementation of PES schemes and restoration activities; and (4) institutionalization within existing governance systems. It details proposed institutional architecture with clear differentiation between national policy coordination and basin-level working groups, and sub-basin implementation units, ensuring vertical and horizontal integration.

Governance principles such as inclusiveness, transparency, accountability, and legal anchoring are emphasized to ensure legitimacy and sustainability. A robust Monitoring, Evaluation, Accountability, and Learning (MEAL) framework is proposed to track environmental and social outcomes of MSP, partnership effectiveness, and enable adaptive learning. Gender equality and social inclusion are central to the MSP's design and operations, with strategies to ensure meaningful participation and equitable benefit-sharing among women, youth, and marginalized groups. In summary, this guideline serves as (i) a practical tool for establishing and operationalizing a landscape restoration/PES MSP, (ii) a means of translating policy into action, (iii) a tool for fostering cross-sectoral collaboration, and (iv) a way of ensuring that landscape restoration and PES initiatives are inclusive, sustainable, and impactful.

# 1. Background

The Omo-Gibe River Basin, located in southwestern Ethiopia, is one of the country's 12 major river basins. It is characterized by strong north–south climatic and physiographic gradients that shape hydrology, livelihoods, and land-use patterns, and by pronounced upstream–downstream linkages between highland land management and downstream water regulation, sediment loads, and infrastructure performance. Figure 1 shows a summary of the basin's location, elevation gradient (340–3,620 m), and delineated sub-watersheds; Annex 3 provides more detailed hydro-meteorological, hydrogeological, socio-economic, and livelihood information.

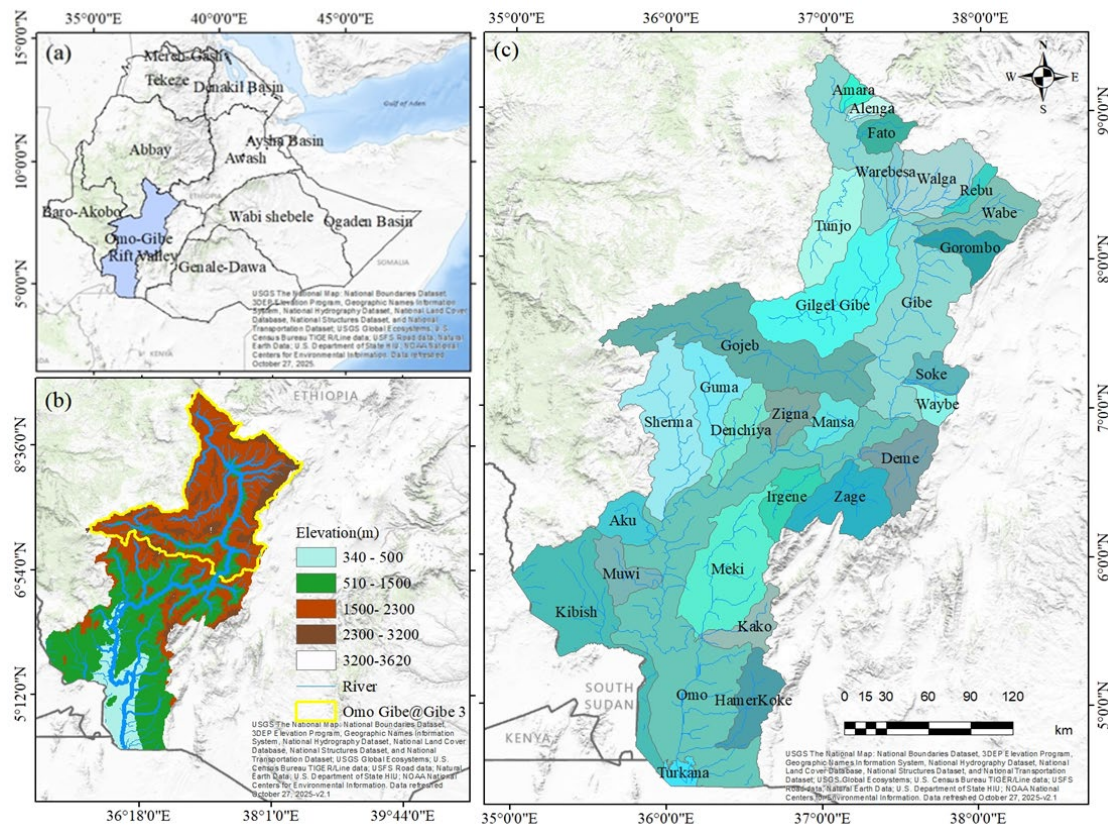


Figure 1. Location and topographical map of the Omo-Gibe basin: (a) major river basins of Ethiopia; (b) elevation gradient (340–3,620 m), (c) delineated sub-watersheds and hydrological network contributing to Lake Turkana. Source: Authors.

The basin is of major socioeconomic importance, particularly for Ethiopia's energy and agricultural development (Fong, 2015; Sundin, 2017; Stevenson, 2018). It is the second most important basin for hydropower generation, hosting significant existing and planned infrastructure (Awulachew et al., 2007; Annex 1). Its irrigation potential is estimated at 348,000–382,000 ha (MWIE, 2014; FAO, 2016), representing about 14.4% of the national total (FAO, 2006). Large-scale developments such as the Kuraz Sugar Development Project (Kamski, 2016; Sundin, 2017) highlight the basin's strategic role in national economic growth. At the same time, the basin supports dense populations and multiple urban centers that depend heavily on natural resources. Livelihood systems are highly diverse — from mixed crop–livestock farming in the highlands to flood-recession agriculture and pastoralism in the lower Omo.

Land use and land cover analyses for 2016–2025 show that cropland remains dominant, increasing by about 10%, while forests and shrublands declined by 30% and 15%. Water bodies, grasslands, and built-up areas increased substantially — by more than 130%, about 90%, and more than 50%, respectively — while bare land decreased by nearly 40%, reflecting rapid landscape transformation

driven by agricultural expansion and infrastructure development (Annex 1; detailed maps and charts in Annex 3).

These changes are closely linked to declining ecosystem services. Deforestation, overgrazing, and unsustainable farming are degrading land resources and reducing soil fertility, water quality, and biodiversity (Legesse, 2016). Severe soil erosion and sedimentation are evident, with annual soil loss in the Gibe I catchment estimated at  $62.98 \text{ t ha}^{-1} \text{ yr}^{-1}$  (Tesfaye and Tibebe, 2018). Cultivated lands exhibit declining soil quality relative to forest and grazing lands (Dagnachew et al., 2019), while wetland conversion is diminishing water storage, infiltration, and ecological functions (Tiku, 2016). These upstream land-use changes also threaten downstream hydropower sustainability through reservoir siltation and reduced storage capacity (Ayalew, 2021). Improved land management, including reforestation and soil conservation, is therefore essential to regulate flows and reduce sediment loads (Amasi et al., 2021), with Payment for Ecosystem Services (PES) offering a potential mechanism to link upstream actions with downstream benefits (Wegner, 2016).

Climate change further compounds these challenges. The basin has experienced increasing temperatures ( $+0.03^\circ\text{C}$  per year) (Jury and Funk, 2013), alongside more frequent droughts and floods (UNESCO, 2008). Local observations confirm increasing climate variability (Wolka and Zeleke, 2017), which is already affecting agricultural productivity, reducing grazing availability, and intensifying competition over resources. Combined with rapid population growth and development pressures, these dynamics pose significant risks to water, food, and livelihood security, and may heighten the potential for conflict within the basin.

The basin's strong upstream–downstream linkages—where land use practices in the highlands directly influence sedimentation, water regulation, ecosystem services, and the performance of downstream hydropower and irrigation systems—necessitate coordinated action across sectors and governance levels. In line with this, establishing a multistakeholder platform (MSP) can provide a structured mechanism to bring together diverse stakeholders, including local communities, government institutions, private sector actors, and development partners, to jointly plan, finance, and implement interventions.

The proposed MSP would not sit in an institutional vacuum. Ethiopia has established a layered basin-governance architecture through: (i) the Ministry of Water and Energy (MoWE), which develops IWRM basin plans and periodic multi-stakeholder consultations for each of the 12 river basins, including the Omo-Gibe Basin Plan (May 2024); (ii) the Omo-Gibe Basin Administration Office (BAO), which serves as MoWE's decentralized basin arm; (iii) the Basins' High Council, established by Proclamation No. 1375/2025 to coordinate IWRM implementation across all basins; and (iv) the ongoing BRIGHT project (2024–2028) led by MoWE, WLRC and the BAOs, which convenes basin-level co-planning workshops for Abbay, Upper Awash, Omo-Gibe, Rift Valley and Tekeze. Ethiopian Forestry Development (EFD) (Proc. 1263/2021; Reg. 505/2022) leads forest-landscape restoration and the Green Legacy Initiative; the Environmental Protection Authority (EPA) (Reg. 545/2024) is mandated, *inter alia*, to establish and monitor systems for payment for environmental / ecosystem services in collaboration with other institutions. An earlier IWMI guideline for the Central Rift Valley Lakes Basin (Kassa et al., 2024) has documented good practice for IWRM-focused MSPs on a basin scale.

Building on these platforms, the MSP proposed in this document is thematically focused on the intersection of landscape restoration and PES for the Gibe III upstream catchment / flagship living landscape — a scope that is complementary to, and would be nested within,

MoWE's IWRM-focused basin coordination arrangements rather than duplicating them. Section 4.2 elaborates the rationale for this complementarity.

## 2. Objectives and scope

This guideline provides a structured framework and practical guidance for establishing and operationalizing a multi-stakeholder platform that links landscape restoration with PES. The platform aims to support sustainable community-based landscape management and protection, safeguard critical hydropower infrastructure, and enhance long-term ecological resilience and institutional sustainability across the basin.

The MSP is proposed to be established, in its first phase, for the Gibe III hydroelectric dam catchment – the MFL-designated flagship living landscape where the link between land use, sediment control, water regulation, and infrastructure health is most evident and where consultation evidence and diagnostic data are strongest. This stepwise expansion allows pilot-testing of governance arrangements and co-investment models (such as PES schemes) and building stakeholder trust before gradual expansion to additional sub-basins of the Omo-Ghibe Basin through the same lead and partner institutions.

This guideline is initiated in the context of Ethiopia's recent Payment for Ecosystem Services Proclamation No. 1401/2026 and complementary legislation (Basins' High Council Proclamation No. 1375/2025; Riparian Buffer Zone Management Proclamation No. 1382/2025). It is offered as a practical technical reference for institutions with statutory mandates to design, host, and operationalize such platforms — not as a legally mandated instrument of CGIAR/IWMI.

The thematic scope emphasizes horizontal integration across sectors – water, energy, agriculture, environment, and finance – and vertical integration across governance levels from local communities to regional and national authorities. This integrated “one basin – one plan – one coordination” approach ensures that efforts in landscape restoration, hydropower sustainability, ecosystem conservation, and livelihoods are synergized rather than fragmented. The guideline also highlights sustainable financing mechanisms, notably PES incentives, to reward upstream land stewardship. Equally, it underscores the importance of robust institutional design and governance – including transparency, inclusiveness, and accountability – to ensure the platform's effectiveness and long-term viability.

The guideline's specific objectives are to:

- Propose institutional and governance arrangements by outlining roles, responsibilities, and coordination mechanisms necessary for the effective establishment and operation of a multi-stakeholder platform for landscape restoration and PES.
- Recommend methodological guidance for designing and implementing PES mechanisms, offering practical tools and frameworks to support the development of sustainable financing models that incentivize upstream ecosystem stewardship.
- Identify strategies to integrate landscape management and hydropower sustainability, aligning watershed restoration with infrastructure protection through cross-sectoral collaboration.
- Support community-based landscape stewardship by promoting inclusive approaches that recognize and strengthen the role of local communities in planning, implementing, and monitoring restoration and conservation activities.
- Recommend pathways for institutional and financial sustainability, including capacity development, integration into existing governance structures, and identification of long-term funding options.

- Propose principles of transparency, inclusiveness, and accountability by proposing participatory processes, stakeholder engagement frameworks, and monitoring mechanisms to ensure equitable and credible platform governance.

### **3. Linkage between policies and payment for ecosystem services**

Ethiopia's national water, environmental, and land management policies provide a strong enabling framework for integrating PES approaches into basin- and landscape-scale interventions. Together, these policies emphasize integrated resource management, ecosystem protection, and community participation, creating clear entry points for incentive-based mechanisms that align conservation outcomes with livelihood benefits and long-term sustainability.

#### **3.1. National water and basin policies**

Ethiopia's National Water Sector Policy and Strategy (2001) and Water Resources Management Policy (1999) promote Integrated Water Resources Management (IWRM), basin-scale planning, and participatory, decentralized governance, with strong emphasis on watershed protection, environmental flows, and sustainable water allocation. These principles provide a clear policy foundation for PES schemes, where downstream water users (e.g., irrigators, hydropower operators, urban utilities) can compensate upstream land managers for practices that enhance water regulation, reduce sedimentation, and improve water quality. The Ministry of Water and Energy is currently finalizing a new long-term Water and Energy Policy (announced in May 2025), which is expected to further strengthen the enabling environment for integrated basin management and PES-based financing. At the institutional level, the Basins' High Council Establishment Proclamation No. 1375/2025 creates an overarching coordination mechanism for IWRM implementation, operationalized through the Basin Administration Offices — including the Omo-Gibe BAO. The explicit recognition of watershed management and environmental protection within water policy creates an enabling environment for operationalizing PES at sub-basin and catchment scales.

#### **3.2. Environmental policy (1997)**

Ethiopia's environmental policy (1997) framework embeds sustainability, ecosystem protection, and Environmental Impact Assessment (EIA) as mandatory components of development planning. This policy is implemented through key legislation, primarily the Environmental Protection Organs Establishment Proclamation (No. 295/2002), the Environmental Impact Assessment Proclamation (No. 299/2002), and the Environmental Pollution Control Proclamation (No. 300/2002), all enacted in 2002. By recognizing ecosystems as assets that deliver public goods, such as clean water, erosion control, and biodiversity, this framework implicitly supports PES approaches that internalize environmental externalities and incentivize conservation and restoration. PES mechanisms are therefore consistent with national objectives to safeguard ecosystem services while supporting sustainable economic development.

#### **3.3. Watershed management policy**

Watershed management is a central pillar of Ethiopia's water and environmental governance, with policy emphasis on soil and water conservation, erosion control, groundwater recharge, and livelihood resilience. Evidence from recent national reviews shows that watershed management delivers measurable benefits for food security, water availability, and ecosystem restoration, but faces sustainability challenges linked to incentives and long-term financing (Tesfahun et al., 2026). PES directly addresses this gap by providing performance-based incentives to upstream communities,

aligning conservation outcomes with livelihood benefits and improving the durability and scalability of watershed interventions.

### 3.4. Landscape restoration initiatives – Green Legacy Initiative.

The Green Legacy Initiative (GLI), launched in 2019, represents Ethiopia's flagship landscape restoration program, aiming to reverse land degradation through large-scale tree planting and ecosystem restoration (Kassa et al., 2022; Gosa, 2026; Gebretsadik et al., 2026). While largely publicly financed, Green Legacy creates strong complementarities with PES by establishing restored landscapes that generate quantifiable ecosystem services (e.g., reduced erosion, improved hydrological regulation, carbon sequestration) (Gebretsadik et al., 2026). PES mechanisms can help sustain Green Legacy Initiative outcomes by mobilizing co-financing from beneficiaries of these services, thereby strengthening long-term maintenance, community ownership, and climate resilience (Wegner, 2016).

### 3.5. Buffer zone management Proclamation No. 1382/2025

The Ethiopian Riparian Buffer Zone Management Proclamation No. 1382/2025 is a policy designed to protect Ethiopia's rivers, lakes, and wetlands by establishing and conserving riparian buffer zones. It addresses growing threats to water quantity and quality from sedimentation, nutrient and chemical runoff, and land conversion near these waterways. By controlling how land around water bodies is used, the law aims to reduce environmental harm while still allowing sustainable activities that support local communities' livelihoods. When managed well, these buffer zones improve water quality, prevent soil erosion and sedimentation, conserve biodiversity, and enhance ecosystem services—boosting climate resilience and ensuring water resources are managed sustainably. To achieve these aims, the proclamation calls for clearly marking buffer zone boundaries, ensuring any development in those zones is sustainable, and conserving aquatic ecosystems associated with water bodies. It also emphasizes an integrated watershed management approach. For implementation, the law defines roles at all levels of government: the federal water ministry sets standards and coordinates nationally, regional governments delineate and enforce buffer zones in their jurisdictions, and local authorities regulate land use and monitor compliance on the ground. The proclamation further encourages coordination across sectors (such as agriculture, environment, and water) and active community participation in managing and conserving these buffer zones (FDRE 2025).

## 4. The living landscape and multi-stakeholder platform

### 4.1. The living landscape

The Gibe III hydroelectric dam catchment in Ethiopia has been designated by the Multifunctional Landscape (MFL) science program as a flagship “living landscape” (Figure 2) for integrated landscape management research. Here, a Living landscape in catchment management is conceptualized as “a real-world platform where communities, researchers, and institutions jointly test and refine land and water management practices within a watershed. It enables continuous learning and adaptation under actual environmental and socio-economic conditions. The goal is to co-develop scalable, locally appropriate solutions that improve water, soil, and ecosystem outcomes across the catchment.”

The Gibe III hydroelectric dam catchment, the flagship living landscape (Figure 2), lies between 5°12'–8°36'N and 35°55'–38°15'E. Topographic relief varies across the catchment, with headwater elevations ranging from 1500 to 3620 m (with extensive 2300–3200 m plateaus and peaks exceeding 3200 m), dropping to 510–1500 m near the dam site. Hydrologically, the drainage network follows hierarchical assembly, northernmost catchments (Amara, Alenga, Fato) feed a central group of larger catchments

(Tunjo, Warebesa, Walga, Wabe, Gorombo, Soke) and the major Gilgel Gibe and Gojeb tributaries from the west. All merge into the Gibe and Omo mainstems, concentrating flow to the Gibe III dam.

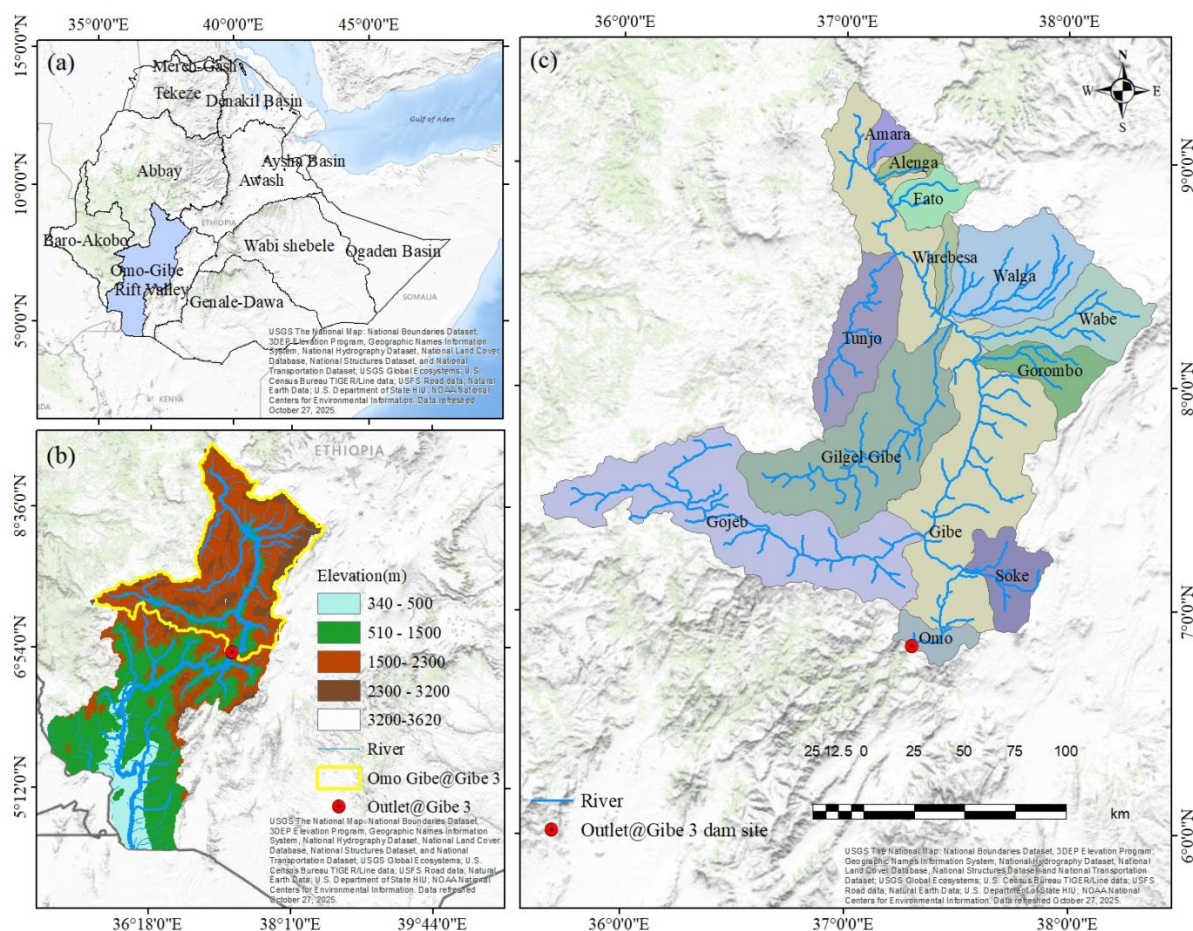


Figure 2: Location and topographical map (a) major river basins of Ethiopia, (b) elevation gradient, (c) delineated sub-watersheds and hydrological network within the flagship living landscape. Source: Authors

In recent years, the Gibe III hydroelectric dam catchment has experienced rapid land-use and land-cover changes (Figure 3), particularly the expansion of cropland and built-up areas, which could sharply increase soil erosion rates beyond sustainable thresholds for the Ethiopian highlands.

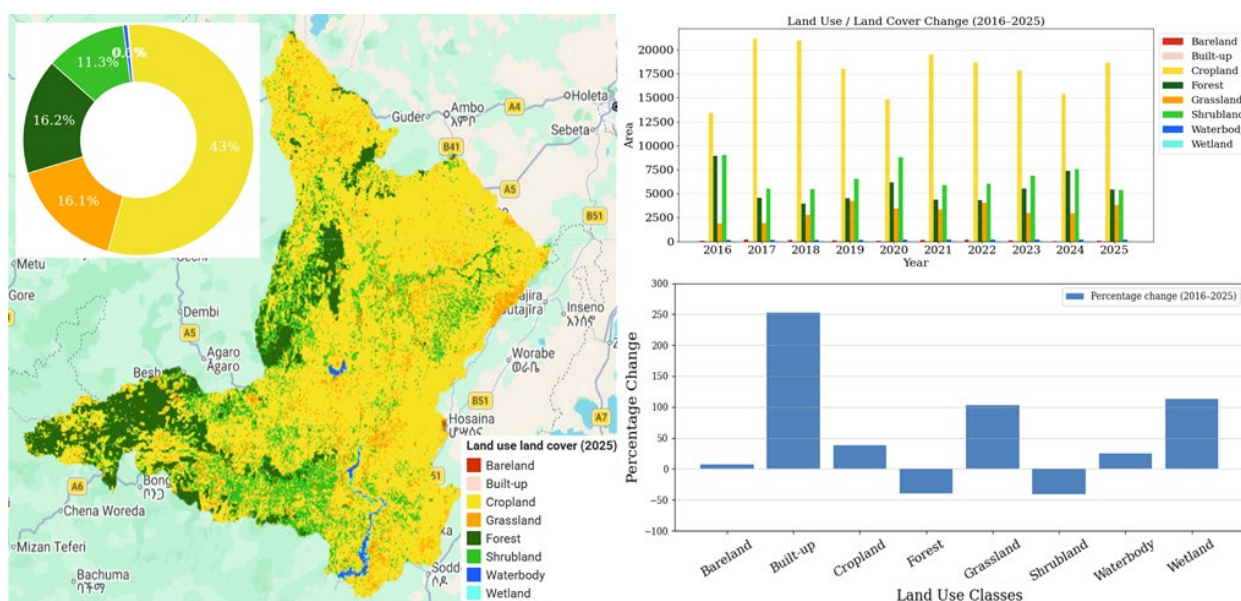


Figure 3: Land Use Land Cover (LULC) dynamics (2016–2025): (left) spatial distribution for 2025; (top-right) annual area coverage trends; and (bottom-right) percentage area change. Source: Authors

Consistent with the results of the spatial analysis, two consultative meetings — one at the national level (federal ministries, regulators, universities, development partners, NGOs and CGIAR representatives) and one at the sub-basin / living-landscape level (Omo-Gibe BAO; zonal Water and Energy, Irrigation and Lowlands, EPA, Office of Agriculture and Natural Resources, EFD, Investment Commission and Finance representatives; district-level Ethiopian Electric Power staff for Gibe III; watershed-management experts; NGOs including World Vision Ethiopia; and community representatives from upstream, middle and downstream areas), jointly diagnosed the challenges facing the entire Omo–Gibe Basin and the flagship living landscape. Both consultations converged on the same central conclusion: a coordination platform is needed that explicitly integrates PES with landscape restoration activities, because current sectoral efforts are fragmented and downstream beneficiaries of ecosystem services (hydropower, irrigation, urban water users) contribute very little to sustaining upstream stewardship.

Foremost among the diagnosed challenges is widespread land degradation and landslides, manifested in severe soil erosion, sedimentation, deforestation, and wetland loss across the basin. A field visit following the consultations confirmed the existence of landslides in the Gibe III catchment (Picture 1).



Picture 1. Landslide in the Gibe III hydroelectric dam catchment (Photo: Wolde Mekuria)

Increasing pressures on natural resources have also intensified competition for grazing land and water, fueling resource-based conflicts among local users. Low agricultural productivity remains a significant challenge, caused by infertile, acidic soils, crop diseases, and poor land management practices. Population growth and farmland scarcity are leading to land fragmentation and encroachment into vulnerable areas, such as steep slopes (Picture 2), further driving deforestation and environmental degradation.



Picture 2. Cultivation of steep slopes driven by population pressure and land fragmentation (Photo: Wolde Mekuria)

These diagnoses are supported by concrete quantitative estimates: annual soil loss in the Gibe I catchment estimated at 62.98 t ha<sup>-1</sup> yr<sup>-1</sup> (Tesfaye and Tibebe, 2018); soil loss in the Gibe III catchment far exceeding sustainable thresholds for the Ethiopian highlands (Yagaso et al., 2024); very high sediment loads generated in upstream areas of the Gibe-Gojeb sub-catchment, with sediment deposition already reducing Gibe III reservoir storage by approximately 5.7% (Kuma et al., 2024); and declining soil quality on cultivated versus forest and grazing lands (Dagnachew et al., 2019).

In addition to the above biophysical challenges, stakeholders highlighted socioeconomic constraints such as weak market linkages and limited access to markets, which, alongside rural unemployment, underdeveloped value chains, and a lack of incentives for sustainable practices, hinder livelihood opportunities and discourage investment in regenerative land use. Finally, the consultations underscored institutional and capacity gaps – including insufficient early warning systems for disasters like landslides and limited technical capacity for soil and water conservation planning – as cross-cutting challenges that complicate effective landscape management in the Omo–Gibe Basin.

Despite the above challenges, stakeholder consultations also highlighted significant opportunities for sustainable development in the flagship living landscape. The basin's fertile land, abundant water resources, hydropower potential, and rich biodiversity provide a strong foundation for landscape restoration and ecosystem services. Ongoing watershed management programmes, basin development plans, and supportive national initiatives—such as Ethiopia's Green Legacy reforestation programme—were seen as key enablers. The strong presence of government institutions, research organizations, NGOs, private sector actors, and organized communities further strengthens opportunities for collaboration.

Participants also emphasized potential for diversified and climate-resilient livelihoods, including agricultural value chains (e.g., coffee, horticulture, fisheries, pigeon pea, and non-timber forest products), eco-tourism, and other nature-based enterprises. Building on local successes in watershed rehabilitation, carbon financing, and indigenous knowledge, stakeholders agreed that coordinated action and scaling up climate-resilient practices could deliver substantial gains in restoration, livelihoods, and sustainable development across the basin.

The key opportunities identified during the consultation meetings are also supported by a few studies in the basin. For example, Kedanemariam and Mishra (2013) found that the Gilgel Gibe III project (picture 3) contributed significantly to employment creation, income generation, infrastructure improvements, and growth in local economic activities. The project became a milestone for development at the community, regional, and national levels, fueling progress on multiple fronts. Even though large dams come with social and environmental considerations, this study underscores that Gibe III's overall contribution to development has been strongly positive. In essence, the dam has helped advance electrification and economic opportunities in Ethiopia, aligning with national goals to reduce energy poverty and stimulate economic growth.



Picture 3. Gibe III hydroelectric dam and its catchment (Photo: Wolde Mekuria)

#### 4.2. Why a multi-stakeholder platform?

The two consultations agreed that a well-designed MSP is the most practical mechanism to integrate PES with landscape restoration in the Omo-Gibe Basin. Well-designed Multi-Stakeholder Platforms (MSPs) offer a promising approach to tackle the challenges identified in the Gibe III hydroelectric dam catchment, while enhancing its benefits. An MSP is a collaborative forum that brings together all relevant stakeholders: government agencies, local communities, researchers, non-governmental organizations, and others to engage in joint decision-making and coordinated action. It creates a structured, collaborative way to manage complex environmental and social challenges, often called “wicked” problems, by uniting governments, businesses, non-profits, and local communities under a shared purpose (Amede and Sanginga, 2014).

In the context of the Gibe III catchment, the flagship living landscape, establishing an effective MSP could improve coordination and transparency among the various actors involved in the dam's management and the catchment's land and water use. By giving local communities and regional authorities a voice alongside national policymakers and technical experts, MSPs help integrate local

development aspirations and traditional knowledge into planning and operations. This inclusive approach can ensure that, for example, watershed management strategies or dam operation policies reflect local needs and conditions, thereby increasing community buy-in and reducing conflict (Bongo and Sy, 2024; Li et al., 2025).

In addition, MSPs excel at translating broad restoration pledges into concrete local action (Karch et al., 2023). In practice, this means that a country's promise to restore, for instance, thousands of hectares of degraded land is guided and implemented by people who understand the local context. An MSP coordinates between national policymakers and local practitioners: it bridges the gap between policy and practice. Because all relevant actors are at the table, MSPs can coordinate interventions spatially and over time. They help decide where to focus restoration first and how to sequence different activities for maximum benefit. For example, an MSP might organize efforts to plant trees on hill slopes upstream while also promoting water-saving agriculture downstream, ensuring that one initiative reinforces another. By aligning everyone's actions, MSPs create synergy, connecting habitat corridors across property lines or synchronizing watershed rehabilitation efforts so that individual projects add up to significant landscape-level improvements. In short, MSPs turn ambitious restoration goals into effective strategies on the ground, aligning local efforts with national strategies and ensuring policies don't just remain on paper.

Furthermore, MSPs facilitate more equitable benefit-sharing across different groups and scales. They can help design and monitor compensation schemes, livelihood restoration programs, and revenue-sharing arrangements so that downstream and upstream communities fairly share in the dam's benefits (Feng et al., 2018). For example, payment for ecosystem services (PES) programs work on a simple idea: those who benefit from ecosystem services (like reduced sedimentation, clean water or carbon storage) pay those who protect or enhance those services. However, making this idea work is delicate – it requires trust, fairness, and proof that the environmental benefits are real. MSPs can create the conditions for trust and cooperation in PES schemes. They bring together the different parties involved: for example, upstream farmers who could adopt soil conservation practices and downstream water companies or communities that need better water quality. By sitting together in an MSP, these groups can understand each other's needs and limitations, which builds mutual trust.

Multi-stakeholder platforms ensure sustainability and resource mobilization through facilitating the embedding of the restoration goals into the regular plans and policies of communities and governments (Sigalla et al., 2021). Rather than seeing restoration as a one-time project, it becomes part of the ongoing development agenda. When local governments, NGOs, community groups, and businesses participate in MSP, they are more likely to integrate restoration activities into their own long-term work. This means the restoration doesn't depend on a single source of money or a single organization's push – it becomes a shared, continuous effort. MSPs also excel at mobilizing resources collaboratively. Different stakeholders bring different strengths: companies might bring capital or innovative technology, governments can provide policy support or public funds, NGOs offer expertise and community connections, and local communities contribute labor and traditional knowledge. Through an MSP, these resources can be pooled and deployed where they're most needed. Collaborative funding means that if one funding stream ends, others can help fill the gap, keeping vital projects alive. It also encourages leveraging private-sector investment alongside public funds, which can significantly increase the resources available for restoration and conservation. By having everyone work together on funding and planning, MSPs help ensure that restored landscapes are maintained and supported well into the future, long after initial projects or donor-funded programs conclude.

In summary, MSPs can serve as the glue that holds landscape restoration and PES efforts together. They foster open communication and reduce conflicts among diverse groups, ensuring everyone's interests, including those of marginalized people, are considered. They turn high-level restoration commitments into practical steps on real landscapes, coordinating actions so that the whole is greater than the sum of its parts. They create trust and fairness in environmental incentive programs like PES, making those schemes more credible and effective. And they build longevity and resilience into restoration efforts by weaving them into the fabric of local plans and by combining resources from many places. In a world where environmental challenges are complex and interconnected, MSPs provide a vital collaborative framework to achieve and sustain meaningful change on the ground. More importantly, the MSP approach is well aligned with the Ministry of Water and Energy's strategies of coordination of integrated basin management (Kassa et al., 2024).

## 5. Institutional Structure of the Multi-Stakeholder Platform

The Multi-Stakeholder Platform (MSP) for the Gibe III hydroelectric dam catchment shall be established as a multi-level governance mechanism to support coordinated decision-making, joint investment, and inclusive implementation across the basin. The MSP shall ensure vertical coordination from the community to national levels and horizontal integration across key sectors, including water, energy, agriculture, environment, and finance. Its institutional design shall combine strategic oversight, technical coordination, financial governance, and structured community participation. However, to ensure the effectiveness and sustainability of MSP, it will be of paramount importance to discuss and agree among key actors on the leadership on the basis of institutional mandates.

### 5.1 Ownership and lead-convening institution

The effectiveness and sustainability of an MSP depend, first and foremost, on **who owns and convenes it**. This guideline proposes that ownership and lead-convening responsibility be located within the federal institution whose statutory mandate most directly covers the PES–landscape–restoration nexus (Table 1).

Table 1. Assessment of the two most-supported candidates

| Criterion                            | Environmental Protection Authority (EPA)                                                                                                                                             | Ethiopian Forestry Development (EFD)                                                                                           |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal establishment</b>           | Established under Proclamation No. 1263/2021 (Art. 59(1)); powers/duties defined by Regulation No. 545/2024.                                                                         | Established under Proclamation No. 1263/2021 (Art. 81 No. 8); powers/duties defined by Regulation No. 505/2022.                |
| <b>Direct PES mandate</b>            | <b>Explicit statutory mandate to establish and monitor systems for payment for environmental / ecosystem services</b> , in collaboration with relevant institutions (Reg. 545/2024). | No explicit PES mandate, but strong mandate over forest-landscape restoration and Green Legacy Initiative (Reg. 505/2022).     |
| <b>Fit for landscape restoration</b> | Cross-sectoral environmental mandate covering ecosystems, biodiversity, climate change adaptation and pollution control.                                                             | Direct operational mandate for forest and tree-based landscape restoration through the Green Legacy and Plantation Forest LEO. |
| <b>Financing linkages</b>            | Coordinates NDC / CRGE investments and international environmental agreements.                                                                                                       | Anchors Green Legacy and Landscape Restoration Special Fund and forest carbon initiatives.                                     |

On this basis, EPA is proposed as the lead-convening institution for the MSP, given its explicit statutory PES mandate. EFD is proposed as co-lead for the landscape-restoration components of the MSP, given its operational mandate over forest restoration and Green Legacy delivery. Both institutions would work in formal partnership with MoWE (through the Omo-Gibe BAO) for IWRM alignment; with regional, zonal, woreda and kebele administrations for delivery through statutory mandates; with Ethiopian Electric Power as the principal downstream ecosystem-service buyer; and with communities, watershed associations, NGOs, the private sector, research institutions and development partners. The final leadership and hosting decision, however, remains a matter for these statutory institutions themselves to agree upon; this guideline offers evidence and recommendations to support that decision.

## 5.2. National-level coordination

A National Coordination Committee, co-chaired by EPA and EFD, shall provide policy-level guidance and oversight to the MSP. The Committee should comprise representatives from relevant federal institutions, including ministries responsible for water and energy, agriculture, environment, finance, and national planning.

Key functions shall include:

- Ensuring alignment of MSP objectives and decisions with national water, energy, land-use, and climate policies.
- Providing strategic oversight and high-level coordination across sectors.
- Supporting resource mobilization and policy advocacy.
- Facilitating integration of Private Public Partnership (PPP)–PES mechanisms within national financing and regulatory frameworks.
- Ensuring cross-learning of experiences with similar MSP in and across different basins in the country

This level shall ensure that basin-level actions are consistent with national development priorities and legal requirements.

## 5.3. Basin-level working groups

The basin-level operational structures are distinct from and subordinate to the National Coordination Committee. They are proposed to be hosted by, or formally linked to, the Omo-Ghibe Basin Administration Office (BAO) – the standing MoWE structure at the basin level, with lead-convenor representation from EPA and EFD. They comprise a Basin Steering Committee, Technical Working Groups (TWGs), a Financing Advisory Group, and a Secretariat (Table 2).

Table 2. Compositions and responsibilities of the basin-level working groups

| Structure                                                 | Composition                                                                                                                                                                                                                                                                                                                      | Responsibilities or core functions                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basin Steering Committee<br>(Operational decision-making) | <ul style="list-style-type: none"> <li>• River Basin Authority representatives</li> <li>• Environmental authority representative</li> <li>• Ministry of Agriculture representative</li> <li>• Regional government institutions</li> <li>• Hydropower and energy agencies</li> <li>• Irrigation and water-use agencies</li> </ul> | <ul style="list-style-type: none"> <li>• Approval of annual work plans and budgets</li> <li>• Endorsement of PES and PPP-PES agreements</li> <li>• Oversight of MSP performance and compliance</li> <li>• Enforcement of agreed governance rules and procedures</li> <li>• Development of bylaws</li> </ul> |

|                          |                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | <ul style="list-style-type: none"> <li>• Civil society organizations</li> <li>• Community representatives</li> <li>• Private sector actors</li> </ul>                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Technical working group  | <p>The TWG may include experts from:</p> <ul style="list-style-type: none"> <li>• Watershed and Ecosystem Restoration</li> <li>• Hydrology, Sediment, and Ecosystem Service Monitoring</li> <li>• PPP–PES Design and Performance Verification</li> <li>• Social Safeguards, Gender, and Inclusion</li> </ul>                                  | TWGs shall be responsible for technical analysis, definition of ecosystem services, development of indicators, monitoring protocols, and formulation of technical recommendations                                                                                                                                                                                                                                                                                                                                         |
| Financing advisory group | <ul style="list-style-type: none"> <li>• Public finance &amp; environment authorities</li> <li>• Financial institutions &amp; impact investors</li> <li>• Ecosystem service buyers (e.g., water, energy, private sector)</li> <li>• PES / environmental economics experts</li> <li>• Civil society &amp; community representatives</li> </ul> | <ul style="list-style-type: none"> <li>• Design of PES and diverse payment mechanisms</li> <li>• Structuring of blended finance and co-investment models</li> <li>• Review of payment verification and disbursement systems</li> <li>• Advice on financial risk management and transparency</li> </ul> <p>This group shall strengthen investor confidence and ensure credible and sustainable financial flows between service buyers (e.g., hydropower operators) and service providers (e.g., upstream communities).</p> |
| Secretariate             | <ul style="list-style-type: none"> <li>• MSP coordinator</li> <li>• Finance &amp; PES specialist</li> <li>• Restoration &amp; MRV technical officer</li> <li>• Stakeholder engagement / GESI officer</li> <li>• Administration &amp; communications support</li> </ul>                                                                        | <ul style="list-style-type: none"> <li>• Administrative and logistical coordination</li> <li>• Documentation, reporting, and communication</li> <li>• Financial management support</li> <li>• Organization of meetings and stakeholder consultations</li> <li>• Monitoring of MSP activities and outputs</li> </ul>                                                                                                                                                                                                       |

#### 5.4. Sub-basin and landscape-level working groups

At sub-basin or priority landscape levels, particularly around critical infrastructure and high-risk zones, operational structures shall support implementation. The structure at this level shall coordinate watershed-level planning, implementation, and monitoring of agreed interventions, including soil and water conservation measures, vegetation and landscape restoration, gully rehabilitation, riparian and buffer zone protection, and local monitoring of ecosystem service performance. It shall also ensure that community institutions, watershed associations, and local representatives are formally integrated into decision-making processes, particularly for PES implementation, benefit-sharing, and grievance handling.

Overall, this MSP structure shall ensure:

- Clear vertical integration from the community to the national levels
- Strong horizontal coordination across sectors
- Transparent and credible financial governance
- Legal durability and alignment with smart, infrastructure-protective investments

## 6. Governance Arrangements

Effective MSP governance combines clarity (mandate), inclusiveness (actors), structure (roles), legitimacy (rules), and adaptability (learning) to coordinate collective action. The following section highlights some of these.

## 6.1. Governance principles

To ensure legitimacy, transparency, and long-term sustainability, the MSP shall adopt clear governance principles, including:

- Defined decision-making procedures (consensus-based or qualified majority, as appropriate).
- Representation criteria and quotas to ensure balanced participation, including women and youth.
- Transparent financial management and reporting procedures.
- Conflict resolution and grievance redress mechanisms.
- Clear accountability and reporting lines across all levels.

These arrangements shall prevent dominance by individual actors, reduce ambiguity, and build trust among stakeholders.

## 6.2. Legal anchoring options

To ensure institutional durability beyond project cycles, the MSP shall be legally anchored using one of the following three distinct pathways:

- (i) Anchoring under a lead federal institution with a formal MSP charter. The MSP operates as a coordination mechanism formally established by EPA (co-hosted with EFD) under Regulation No. 545/2024 (PES mandate) and Regulation No. 505/2022 (forest/GLI mandate), with the Omo-Gibe BAO as the standing basin-level host.
- (ii) MoU-based inter-institutional arrangement. EPA, EFD, MoWE, MoA, Ethiopian Electric Power and other core actors formalize collaboration through an inter-institutional Memorandum of Understanding defining roles, responsibilities, and decision-making arrangements. This pathway is less deeply institutionalized but faster to establish.
- (iii) Hybrid model. Strategic oversight is housed within EPA/EFD; operational hosting is at the Omo-Gibe BAO; and a legally independent PES financing facility — established under and consistent with Proclamation No. 1401/2026 — manages funds and payments transparently. This option is the most robust for long-term financial governance but requires higher institutional readiness.

## 6.3. How is the MSP itself financed?

Sustaining the MSP requires a blended and staged financing pathway. In the inception phase (Years 1–2), financing is likely to combine (i) a core budgetary contribution from the lead convening institution (EPA and/or EFD) covering Secretariat staff, meetings and basic coordination; (ii) catalytic donor and development-partner co-financing from ongoing programs (e.g., CGIAR MFL Science Program, BRIGHT, partner NGOs); and (iii) in-kind contributions from MoWE / BAO, Ethiopian Electric Power, universities and civil society (facilities, expertise, community mobilization). In the transition phase (Years 3–5), additional resources are expected from (iv) integration with the Green Legacy and Landscape Restoration Special Fund (once operational) and (v) targeted allocations under MoWE and EPA annual budgets. In the mature phase (Year 5 onwards), PES revenues generated within the Gibe III catchment would contribute a modest coordination levy to the Secretariat, alongside co-investment contributions from downstream service buyers. This staged model ensures the MSP is not solely dependent on donor funding while recognizing that credible PES revenue flows will only materialize once the buyer–provider relationships and MRV systems are proven.

## 7. Initiation and Establishment Process

### 7.1. Guiding principles

The establishment of an MSP in the Gibe III hydroelectric dam catchment shall be guided by principles that respond to the basin's ecological sensitivity, strategic infrastructure importance, and socio-economic diversity. The basin hosts major national investments in hydropower generation (e.g., Gibe cascade dams), expanding irrigation schemes, and water supply systems, which are highly dependent on upstream landscape conditions (Gill et al., 2014). At the same time, the upper catchments are characterized by high population pressure, land degradation, erosion, and vulnerability of rural livelihoods (Tessema et al., 2021; Mengistu and Assefa, 2022).

Within this context, the MSP must function as a credible basin governance mechanism that operates through, not in place of, the statutory mandates of federal ministries and regulators, regional governments, zonal and woreda offices, kebele administrations, and community institutions. To achieve these objectives, the key principles would be:

- (a) **Inclusiveness and equity:** The MSP shall ensure balanced representation of basin- and regional-level institutions (water, energy, agriculture, environment), hydropower operators, private-sector actors, regional and woreda administrations, civil society organizations, research institutions, and upstream watershed communities whose land-use practices directly influence sediment loads, water regulation, and infrastructure performance.
- (b) **Equitable benefit-sharing:** Equitable benefit-sharing among the different actors is essential in the Omo–Gibe River Basin, where upstream communities often bear restoration costs while downstream actors capture economic benefits. The MSP must therefore ensure that ecosystem service providers receive fair, transparent, and predictable compensation, reducing perceptions of inequity linked to large-scale infrastructure development and strengthening cooperation across the basin.
- (c) **Transparency and accountability:** This principle is particularly critical given the presence of large financial flows and nationally strategic assets. The MSP shall establish clear and documented decision-making procedures, publicly accessible information on investments and PES payments, joint monitoring systems (e.g., sediment, vegetation cover, flow regulation), and transparent financial management arrangements for PES funds.
- (d) **Grievance redress and conflict resolution mechanisms:** Conflict resolution mechanisms must be institutionalized to proactively address disputes related to water allocation, land-use restrictions, restoration obligations, or benefit distribution, which are common in water-stressed and investment-intensive basins such as the Omo–Gibe River basin.
- (e) **Local ownership, subsidiarity, and watershed-level empowerment:** Ensuring this is essential for the effective functioning of the MSP. While basin-wide coordination is essential to address cumulative impacts on hydropower reservoirs and irrigation schemes, watershed institutions, kebele-level structures, and community organizations must retain meaningful decision-making authority over local restoration priorities and land management practices. This ensures social acceptance, strengthens stewardship, and enhances sustainability beyond externally funded projects.
- (f) **Evidence-based and basin-relevant decision-making must underpin MSP operations:** Decisions on priority micro-watersheds, sediment source areas, restoration measures, and performance indicators shall be informed by hydrological analyses, sediment yield assessments, landscape diagnostics, and environmental monitoring specific to the Omo–Gibe Basin. Scientific assessments should be complemented by local knowledge on land-use

dynamics and livelihood constraints to ensure interventions are technically sound, socially feasible, and cost-effective, particularly for protecting hydropower reservoirs from siltation. It also needs an MRV (see section 8) process to ensure that interventions have the desired impact.

- (g) **Financial sustainability and social inclusion:** The MSP should design durable financing mechanisms anchored in PES and PPP models, enabling sustained co-investment by hydropower utilities, irrigation schemes, and public authorities in upstream landscape restoration. Reliance on short-term donor funding should be progressively reduced. At the same time, meaningful participation of women and youth in the Omo–Gibe River Basin must be institutionalized, not as symbolic inclusion, but through active roles in watershed committees, decision-making processes, restoration activities, and livelihood innovation. Their engagement strengthens social equity, intergenerational resilience, and the long-term durability of landscape stewardship across the basin. Since a single financing mechanism may fall short, a blended financing mechanism must be initiated. It is recognized, however, that establishing such mechanisms is complex and typically unfolds over several years, as downstream beneficiaries, including hydropower utilities and irrigation schemes, will commit sustained payments only once a credible business case and evidence of the real impact of upstream watershed interventions have been demonstrated. Initial public and catalytic donor finance will therefore be required at the outset to build this evidence base, de-risk early investments, and progressively crowd in private-sector and downstream co-financing as the scheme matures.

## 7.2. Phased approach

The establishment of the MSP in the Omo–Gibe Basin should follow a four-phase approach, designed to ensure technical rigor, institutional legitimacy, and long-term integration into basin governance. The phases move sequentially from diagnostic preparation to full institutionalization within existing basin and sectoral frameworks (Figure 4).

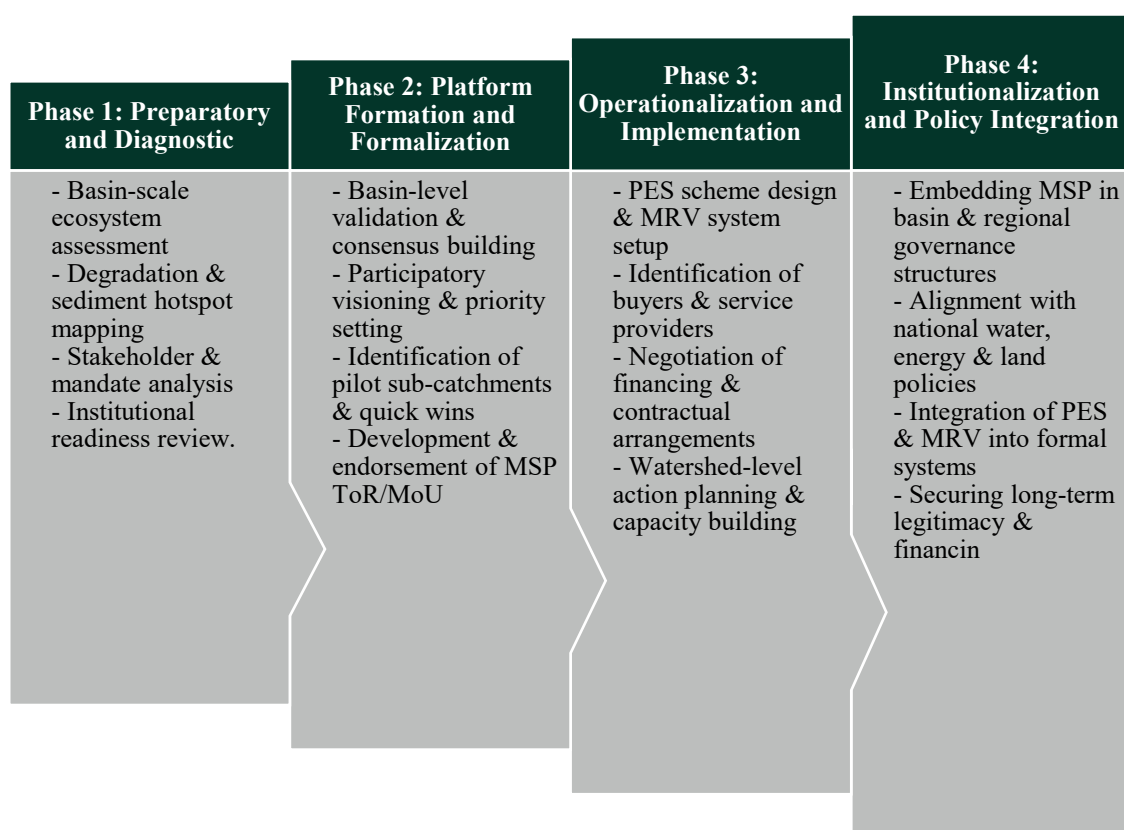


Figure 4. Phased approach to establishing the multi-stakeholder platform

- **Phase 1: Preparatory and Diagnostic Phase:** The preparatory phase establishes the technical, institutional, and social foundation for the MSP. It begins with a basin-wide landscape and ecosystem service assessment to identify priority watersheds, erosion and sediment hotspots, degraded upper catchments, and zones with direct influence on hydropower reservoirs, irrigation intakes, and downstream water users. This assessment provides the evidence base for targeted restoration investments and PES scheme design in the Omo–Gibe Basin.

In parallel, structured stakeholder mapping and consultations shall be conducted across basin, regional, zonal, and woreda levels. These consultations identify key actors, clarify mandates and interests, assess influence and incentives, and build early trust among hydropower operators, government agencies, local authorities, community representatives, and civil society organizations. Early engagement is essential to manage expectations and reduce resistance during later phases.

An institutional readiness assessment completes this phase, reviewing existing basin coordination mechanisms, legal mandates, policy alignment, and financial management capacities. This step determines how the MSP can be hosted within existing Omo–Gibe River Basin or regional structures and identifies capacity gaps that must be addressed before formal platform establishment.

- **Phase 2: Platform Formation and Formalization:** The platform formation phase formally establishes the MSP as a recognized coordination and governance mechanism for landscape restoration and PES in the Omo–Gibe River Basin. A basin-level convening is organized to validate diagnostic findings, confirm shared challenges (e.g., sedimentation, land degradation, infrastructure risk), and build consensus on the need for coordinated action.

A participatory visioning process follows, defining the MSP's shared long-term objectives, such as reducing sediment inflows to hydropower reservoirs, improving watershed resilience, and enhancing livelihoods in upstream communities. Priority entry points are identified, including high-sediment micro-watersheds or infrastructure-sensitive sub-catchments, along with early actions that can demonstrate quick and visible benefits.

During this phase, the MSP's Terms of Reference (ToR) or Memorandum of Understanding (MoU) is developed and formally endorsed. The ToR/MoU shall define governance arrangements, membership, roles and responsibilities, decision-making procedures, coordination mechanisms, conflict resolution processes, and monitoring and accountability systems specific to the Omo–Gibe Basin context. Formal endorsement marks the transition from consultation to operational collaboration.

- **Phase 3: Operationalization and Implementation:** The operationalization phase translates institutional agreements into functional PES and restoration mechanisms. A central task is the design of the Omo–Gibe River basin PES scheme, including identification of priority ecosystem services, definition of measurable indicators, and establishment of monitoring, reporting, and verification (MRV) systems.

A foundational step in operationalizing PES within the MSP is the clear and explicit definition of ecosystem services to be rewarded. In the Omo–Gibe Basin, ecosystem services should be defined based on their direct relevance to hydropower sustainability, water regulation, agricultural productivity, and climate resilience. Priority ecosystem services include, but are not limited to:

- Sediment regulation and erosion control through soil and water conservation measures, gully rehabilitation, and slope stabilization.

- Vegetation restoration and maintenance, including reforestation, assisted natural regeneration, and sustainable rangeland management.
- Riparian and buffer zone protection to stabilize riverbanks and reduce direct sediment inflow into reservoirs and rivers.
- Improved agricultural land management practices that reduce runoff and enhance soil moisture retention.
- Improved hydrological regulation, including enhanced dry-season base flows and reduced peak runoff during extreme rainfall events.

These priority ecosystem services derived from diverse land management practices must be framed as measurable ecosystem services, supported by clearly defined indicators (e.g., sediment load reduction, vegetation cover increase, gully stabilization rates). This results-oriented framing enables performance-based payments, transparent monitoring, and evidence-based decision-making within the MSP.

#### Box 1: Example – Defining Sediment Regulation as an Ecosystem Service in the Omo–Gibe Basin

- Upstream watershed communities implement terraces, gully rehabilitation, and vegetative buffer zones in a priority sub-catchment identified as a major sediment source for a downstream hydropower reservoir. Sediment load reduction at key monitoring points is defined as the ecosystem service. Payments are triggered based on verified reductions in sediment inflow compared to a baseline.

In addition, the operationalization of PES within the MSP requires clear identification of ecosystem service buyers and service providers, as well as their respective roles and obligations. Ecosystem service buyers in the Omo–Gibe Basin are primarily downstream actors whose operations depend on reliable water quantity and quality. These typically include:

- Hydropower utilities and energy sector agencies.
- Operators of large-scale irrigation schemes and water abstraction systems.
- Public authorities responsible for water, energy, and infrastructure management.
- Where relevant, large agro-industrial or commercial water users.

Their financial participation is economically justified by avoided costs, including reduced dredging, lower maintenance expenditures, improved operational efficiency, and increased infrastructure lifespan.

Ecosystem service providers are upstream actors who directly manage land and natural resources. These include:

- Local communities and smallholder farmers.
- Watershed user associations and cooperatives.
- Kebele- and woreda-level environmental and land management institutions.
- Community-based organizations engaged in restoration activities.

The guideline emphasizes that relationships between buyers and providers must be formalized through transparent agreements, clearly defining service expectations, payment modalities, verification procedures, and benefit-sharing arrangements. The MSP facilitates these agreements and ensures that power asymmetries between large infrastructure operators and small-scale land users are addressed through collective negotiation and safeguards.

#### Box 2: Example – Buyer–Provider Relationship under the MSP

- A hydropower utility commits annual PES payments through the MSP to a cluster of upstream watershed associations. The associations collectively implement agreed soil and water conservation measures. The MSP oversees verification, manages funds, and ensures equitable distribution among participating communities.

Financing and contractual arrangements are then negotiated, particularly between downstream beneficiaries, such as hydropower utilities and irrigation schemes, and upstream service providers, including communities and watershed institutions. These agreements define payment modalities, performance criteria, timelines, and accountability arrangements. Finally, implementation planning is undertaken through watershed-level action plans, co-investment schedules, capacity-building programs, and reporting systems. At this stage, the MSP becomes fully operational and begins delivering measurable improvements in watershed condition, infrastructure sustainability, and community livelihoods in the Omo–Gibe Basin.

- **Phase 4: Institutionalization and Policy Integration:** The institutionalization phase ensures that the MSP is embedded within formal Omo–Gibe Basin and regional governance structures, rather than remaining a project-based platform. This includes alignment with basin authorities, regional coordination mechanisms, and infrastructure management systems.

The MSP's objectives, PES framework, and monitoring systems shall be harmonized with national and regional policies on water, energy, environment, climate change, and land management. This strengthens legal legitimacy, facilitates budgetary support, and ensures continuity beyond donor-funded initiatives. Through institutionalization, the MSP evolves into a durable governance architecture supporting long-term landscape restoration, effective PES implementation, and sustained hydropower and water security in the Omo–Gibe Basin.

## 8. Monitoring, Evaluation, Accountability, and Learning

An effective Monitoring, Evaluation, Accountability, and Learning (MEAL) framework is essential for ensuring that the MSP for landscape restoration and PES are not only delivering tangible environmental and social outcomes, but are also functioning as inclusive, transparent, and adaptive collaboration platforms. Unlike conventional project-level MEAL systems, an MSP-oriented MEAL framework must explicitly assess both partnership performance and collective impact, recognizing that the quality of collaboration is a critical determinant of long-term sustainability and scalability. This MEAL framework is designed to:

- (i) Track progress towards jointly agreed restoration and PES objectives.
- (ii) Assess the health and effectiveness of the partnership itself.
- (iii) Ensure accountability to partners and beneficiary communities.
- (iv) Generate actionable learning to support adaptive landscape governance.

The framework applies a mixed-methods approach, combining quantitative indicators with qualitative insights, and is intended to be implemented through annual or bi-annual assessments.

### 8.1. Results framework

The results framework aligns MSP processes with expected environmental, social, and institutional outcomes. It integrates indicators at three complementary levels: environmental performance, social inclusion, and coordination effectiveness. Environmental outcome indicators track progress towards landscape restoration and PES objectives, such as improvements in ecosystem condition, enhanced ecosystem service provision, or adoption of sustainable land and water management practices. These indicators should be context-specific and aligned with national restoration targets, watershed or landscape plans, and PES performance requirements.

Social inclusion indicators assess whether the MSP is enabling meaningful participation and benefit-sharing across different stakeholder groups, particularly women, youth, pastoralists, smallholder

farmers, and other marginalized or vulnerable populations. These indicators go beyond participation counts to capture perceptions of representation, influence in decision-making, and equity in access to benefits arising from restoration or PES schemes.

Coordination effectiveness indicators measure how well the partnership is functioning as a collaborative platform. This includes the degree of partner engagement, effectiveness of joint action, mobilization of shared resources, and satisfaction with partnership processes. These indicators recognize that strong coordination and trust among partners are prerequisites for achieving complex landscape outcomes.

Together, these indicator clusters provide a balanced view of what the MSP achieves and how it achieves it, allowing partners to identify both technical and institutional performance gaps.

## 8.2. Monitoring: Process and engagement indicators

Monitoring in an MSP context focuses on tracking the platform's functionality, inclusiveness, and operational effectiveness. By regularly reviewing process and engagement indicators, the MSP can spot early signs of partnership fatigue, exclusion of key groups, or coordination breakdowns and address them proactively. Key indicators to monitor include:

- **Partner retention rate:** The proportion of partners remaining active since the MSP's inception. A high retention rate indicates that partners find value in the collaboration and remain committed. Conversely, a declining retention rate may signal disengagement or dissatisfaction and highlight the need for corrective action to re-energize or address partners' concerns.
- **Diversity of participation:** The breadth of stakeholder groups actively involved in MSP decision-making (e.g., representation from government, private sector, civil society, and community-based organizations). Strong diversity in participation demonstrates an inclusive platform that incorporates varied perspectives. Monitoring this ensures no major stakeholder category is inadvertently excluded from the process.
- **Shared resource mobilization:** The aggregate value of non-monetary contributions provided by partners, such as staff time, technical expertise, facilities, data, or equipment. Healthy levels of shared resources and in-kind contributions reflect strong ownership and commitment across partners, beyond just financial inputs.
- **Inclusivity score:** A qualitative measure of how well marginalized or underrepresented groups are included and heard in MSP processes. Often assessed through partner and stakeholder feedback (for example, rating inclusivity on a 1–5 scale), this score captures perceptions of fairness and voice. A high inclusivity score suggests that the MSP's procedures successfully empower all stakeholders, whereas a low score would prompt a review of engagement practices.

Data for these monitoring indicators are typically drawn from sources such as meeting attendance records, steering committee minutes, in-kind contribution logs, and structured partner surveys or feedback forms. It is recommended to review these indicators at least annually, with some critical indicators checked more frequently (e.g., semi-annually) to enable timely course corrections. Regular monitoring ensures the MSP remains functional, inclusive, and responsive to any emerging issues in partnership dynamics.

## 8.3. Evaluation: Outcome and impact assessment

Evaluation examines whether the MSP is achieving its intended objectives and contributing to broader goals (such as landscape restoration targets and PES outcomes). Typically conducted periodically (for example, once a year), evaluations combine quantitative performance metrics with qualitative insights to

provide a well-rounded assessment of both what the MSP has accomplished and how it has functioned. This process helps determine if the collective efforts are on track and where adjustments might be necessary. Core outcome and impact indicators for MSP evaluations include:

- **Policy and practice influence:** The extent to which the MSP's collaborative work is shaping or influencing policies, plans, or practices. This can be measured by tracking the number of joint policy proposals, guidelines, or operational practices that have been developed through the MSP and subsequently adopted by member organizations or endorsed by relevant authorities. A higher number of such influences indicates that the MSP is effectively translating its collaborative efforts into real-world policy or institutional change.
- **Joint action effectiveness:** An assessment of how efficiently and effectively the MSP agreed collective activities are carried out. This may be quantified as the proportion of planned joint initiatives or projects that are implemented on schedule and meet their defined quality standards. High joint action effectiveness suggests good coordination, sufficient resourcing, and strong commitment among partners to follow through on decisions.
- **Partner satisfaction:** The level of satisfaction among partners regarding the MSP's processes and value. This is often captured as the percentage of partners who report being satisfied (through surveys or interviews) with aspects such as the collaboration experience, decision-making processes, communication, and the benefits or outcomes of participation. Consistently high partner satisfaction indicates that the MSP is meeting the needs and expectations of its members, while low satisfaction would signal issues in the partnership's operations that need to be addressed (e.g., lack of voice, unclear benefits, or process frustrations).

Evaluations draw on a range of information sources: key informant interviews with participants, detailed partner surveys, records of activities and outputs, and possibly external data on landscape or policy changes to triangulate findings. In analyzing evaluation results, it is important to distinguish between two types of challenges that may be identified: those related to technical implementation of activities (for example, difficulties in applying restoration techniques or achieving PES targets on the ground) versus those related to partnership dynamics (such as communication breakdowns, leadership issues, or lack of trust among members). Making this distinction helps the MSP tailor its response, whether it means adjusting on-the-ground strategies or improving the way the partnership operates. Ultimately, regular outcome evaluations enable the MSP to understand its impact and refine its approach to better serve collective goals.

#### 8.4. Accountability: Transparency and feedback mechanisms

Accountability mechanisms ensure the MSP remains transparent, responsive, and answerable to its partners and to broader stakeholders (including communities benefiting from or impacted by the MSP's work). Establishing clear accountability processes is especially crucial in contexts like PES, where trust and credibility are the foundation for both financial and non-financial incentive structures. All partners and stakeholders should feel confident that decisions are made fairly, resources are managed properly, and their concerns will be heard and addressed. To uphold a high standard of accountability, the MSP should establish:

- **Grievance and feedback mechanisms:** A formal process through which any partner or stakeholder can lodge concerns, complaints, or suggestions regarding MSP activities, decisions, benefit-sharing, or other aspects of the partnership. This mechanism might include a dedicated point of contact or committee to receive grievances, a log to record them, and a clear procedure for investigation and response. The MSP should commit to resolving grievances within an agreed timeframe and communicating the resolution to all relevant parties. Having this

channel in place ensures that issues are surfaced early and handled transparently, which helps prevent small problems from escalating and demonstrates respect for all participants' voices.

- **Transparency measures:** Routine practices that keep partners informed about MSP operations and decisions. Key transparency measures include the timely sharing of financial reports (detailing how funds are allocated and used), regular progress updates on activities and outcomes, and open sharing of minutes or summaries from decision-making meetings (such as steering committee meetings). By providing partners with access to this information on a consistent schedule, the MSP fosters an environment of openness. Transparency not only builds trust but also enables partners to provide informed input and oversight.

To gauge how well these accountability processes are functioning, the MSP can monitor specific indicators, for example: the resolution rate of grievances (what percentage of raised issues are resolved within the target timeframe) and the adherence to transparency standards (such as the percentage of required reports and updates that are disseminated on time and in the agreed format). Strong performance on these indicators signifies that the MSP is being proactive about accountability. In practice, robust accountability and feedback systems strengthen mutual trust, reduce the risk of conflicts or misunderstandings, and enhance the legitimacy of the MSP in the eyes of both its members and external observers. Stakeholders are more likely to remain engaged when they see that the MSP operates with integrity and values their input.

### 8.5. Participatory monitoring

Participatory monitoring enhances data quality, ownership, and relevance by actively involving communities and local stakeholders in monitoring processes. This is particularly important in landscape restoration and PES contexts, where local knowledge can complement technical assessments. Participatory monitoring approaches may include community-based monitoring of restoration activities, participatory mapping of ecosystem services, and local scorecards assessing perceived benefits and challenges. To support effective participation, the MSP should establish clear data-sharing protocols, clarifying roles, data ownership, feedback loops, and ethical considerations.

Participatory monitoring results should feed directly into MSP review processes and be communicated back to communities in accessible formats.

### 8.6. Learning and adaptive management

Learning is the mechanism through which monitoring and evaluation findings are translated into improved MSP performance and landscape outcomes. The MEAL framework, therefore, places strong emphasis on adaptive management, recognizing that landscape restoration and PES operate in dynamic socio-ecological and institutional contexts. Key learning mechanisms include:

- Periodic review and reflection workshops, convened annually or biannually to jointly review MEAL findings, identify lessons learned, and agree on corrective actions.
- Knowledge exchange forums, enabling partners to share innovations, challenges, and good practices across sites or landscapes.
- Systematic documentation of best practices and lessons learned, including case studies, technical briefs, and policy-relevant knowledge products developed collaboratively.

Learning indicators track the number of lessons implemented to improve MSP operations and the frequency of jointly produced knowledge products. By institutionalizing reflection and learning, the MSP evolves from a coordination mechanism into a learning-oriented partnership platform.

## 9. Gender Equality and Social Inclusion

Integrating gender equality and social inclusion (GESI) is fundamental to the effectiveness, equity, and sustainability of MSP for landscape restoration and PES. Landscapes are shaped by diverse users with differentiated rights, roles, knowledge systems, and vulnerabilities. Women, youth, indigenous peoples, pastoralists, smallholder farmers, refugees, and persons with disabilities often depend most directly on ecosystem services, yet they frequently face structural barriers to participation, decision-making, and benefit-sharing. An MSP that fails to address these inequalities risks reinforcing existing power imbalances, undermining trust, and limiting restoration and PES outcomes.

GESI integration in MSPs should be understood as both a process principle and an outcome objective. This requires deliberate action to ensure that all stakeholder groups are not only present but can meaningfully influence decisions, access benefits, and shape learning processes throughout the MSP lifecycle, from platform design and governance to implementation, monitoring, and adaptive management.

### 9.1. Inclusive MSP design and governance

At the establishment stage, MSPs should conduct a stakeholder and social inclusion analysis to identify different user groups, tenure arrangements, power relations, and barriers to participation. This analysis should inform the design of governance structures, representation mechanisms, and decision-making processes. Quotas or minimum representation thresholds for women and marginalized groups may be necessary, but are rarely sufficient on their own. MSPs should also address practical barriers, such as meeting locations, language, timing, access to information, and childcare responsibilities.

Inclusive governance arrangements, such as co-chairing arrangements, rotating leadership roles, and dedicated working groups on social inclusion, can help rebalance power asymmetries and legitimize diverse voices within the platform. Clear rules of engagement and facilitation approaches that encourage respectful dialogue and collective problem-solving are essential. The box below presents an example of how the MSP acts to ensure inclusiveness

#### Box GESI-1. Ensuring Inclusive Governance in an MSP

- Context:
  - An MSP for watershed restoration and PES is established at the district level, involving government agencies, NGOs, private investors, and community representatives.
- Inclusive Practice:
  - A stakeholder analysis reveals that women and pastoralist groups are underrepresented in existing local institutions. The MSP introduces:
    - Mandatory gender-balanced representation in the steering committee
    - Rotating co-chair positions held jointly by a government and community representative
    - Facilitated meetings using local languages
- Result:
  - Decision-making processes become more inclusive, and previously marginalized groups report greater confidence in influencing restoration priorities and PES rules.

### 9.2. Equitable participation in landscape restoration and PES

In landscape restoration and PES contexts, participation is closely linked to access to resources, knowledge, and incentives. Gender and social norms often determine who controls land, who performs restoration labor, who bears opportunity costs, and who receives PES payments. MSPs must therefore explicitly assess and address differentiated impacts and benefits. PES design should consider

intra-household dynamics, collective land management systems, and the risk of elite capture, ensuring that incentive mechanisms do not disadvantage those with weaker tenure or limited political voice.

Capacity strengthening is a critical enabler of inclusion. Targeted support, such as leadership training for women, technical training for youth, or tailored information materials for low-literacy groups, can enhance meaningful engagement and long-term empowerment. The box below presents how MSP addressed gendered impact in PES design.

Box GESI-2. Addressing Gendered Impacts in PES Design

- Context:
  - A PES scheme rewards households for maintaining vegetative cover and reducing land degradation.
- Inclusive Practice:
  - The MSP identifies that women contribute most of the restoration labor but do not control household payments. In response, the PES design: (i) Allows joint registration of spouses, (ii) Links part of payments to community-level investments benefiting women and youth, and (iii) Establishes transparent criteria for benefit-sharing
- Result:
  - PES incentives better reflect labor contributions, reduce intra-household tensions, and increase women’s support for restoration measures.

9.3. Integrating GESI into MEAL and adaptive learning

GESI considerations should be embedded within the MSP’s Monitoring, Evaluation, Accountability, and Learning (MEAL) framework (see section 5). This includes tracking not only participation rates but also perceptions of influence, fairness, and benefit-sharing among different social groups. Disaggregated data (by gender, age, livelihood group, or vulnerability status) are essential for understanding who benefits and who is left behind.

Participatory monitoring approaches can further strengthen inclusion by valuing local knowledge and creating feedback loops between communities and decision-makers. Learning processes, such as reflection workshops and knowledge exchanges, should create safe spaces for marginalized stakeholders to share experiences and shape adaptive responses. The box below presents how participatory monitoring supports social inclusion.

Box GESI-3. Participatory Monitoring for Social Inclusion

- Context:
  - The MSP seeks to understand how restoration benefits are perceived by different social groups.
- Inclusive Practice:
  - Community-based monitoring teams—including women and youth—use simple scorecards to assess: (i) Access to restored resources, (ii) Fairness of benefit distribution, and (iii) Changes in workload and livelihoods.
- Result:
  - Findings reveal unintended increases in women’s labor burden, prompting the MSP to adjust restoration practices and support labor-saving technologies.

10. Conclusions

This guideline serves as a comprehensive and practical tool for designing and implementing a Multi-Stakeholder Platform (MSP) tailored to the Omo-Gibe River Basin. It offers a clear, step-by-step roadmap for practitioners and decision-makers to establish inclusive, transparent, and accountable



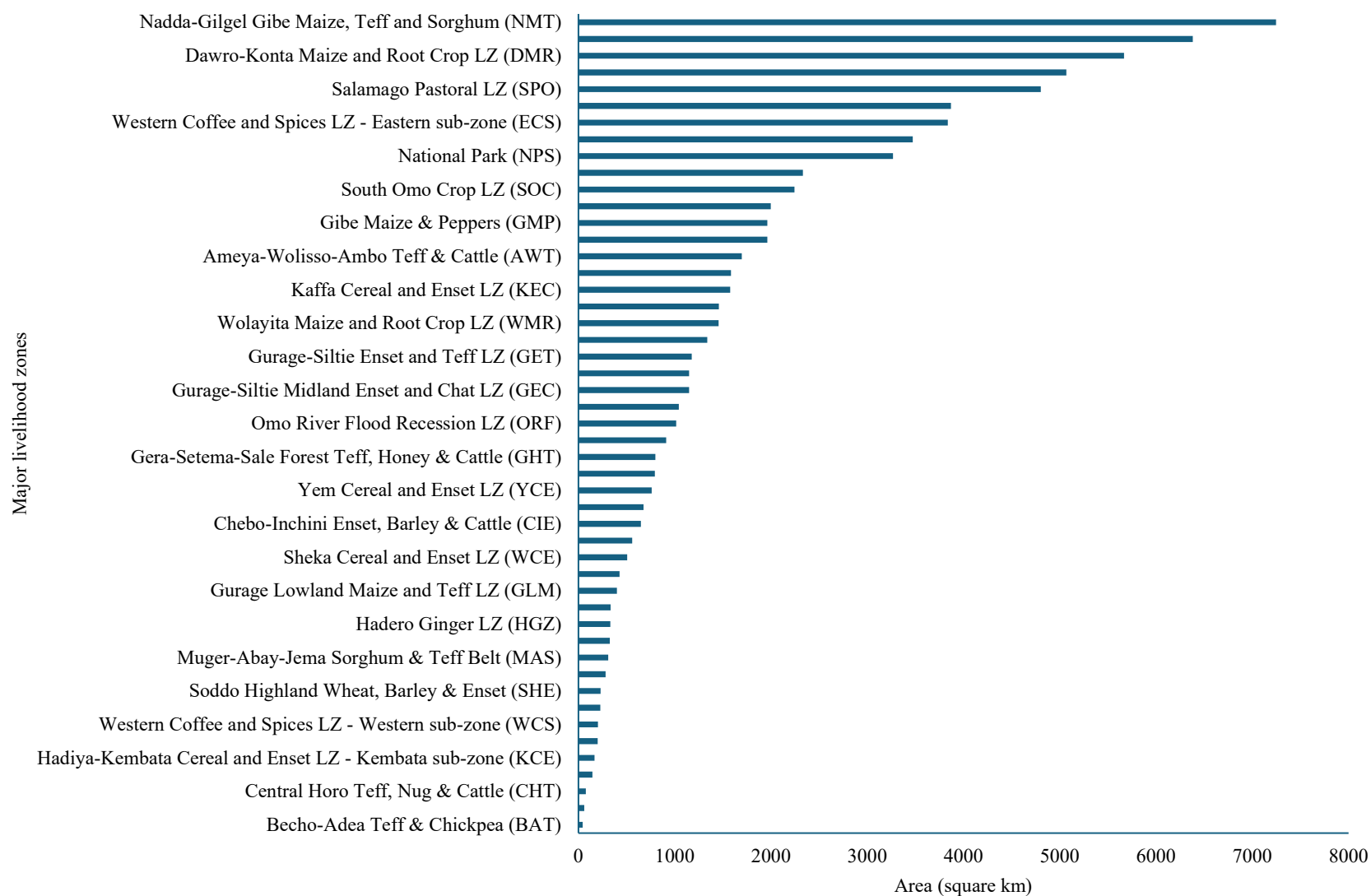
governance structures that support landscape restoration and Payment for Ecosystem Services (PES). By detailing institutional arrangements, legal frameworks, financing mechanisms, and monitoring systems, the document supports the establishment of an effective MSP and thereby translates complex policy goals into actionable strategies. It emphasizes the importance of integrating diverse stakeholders, aligning sectoral efforts, and embedding restoration initiatives into existing governance systems. Beyond the Omo-Gibe context, the principles and methodologies outlined in this guideline can inform similar efforts in other landscapes facing environmental degradation and resource management challenges.

## Annex 1 Major development interventions in the basin

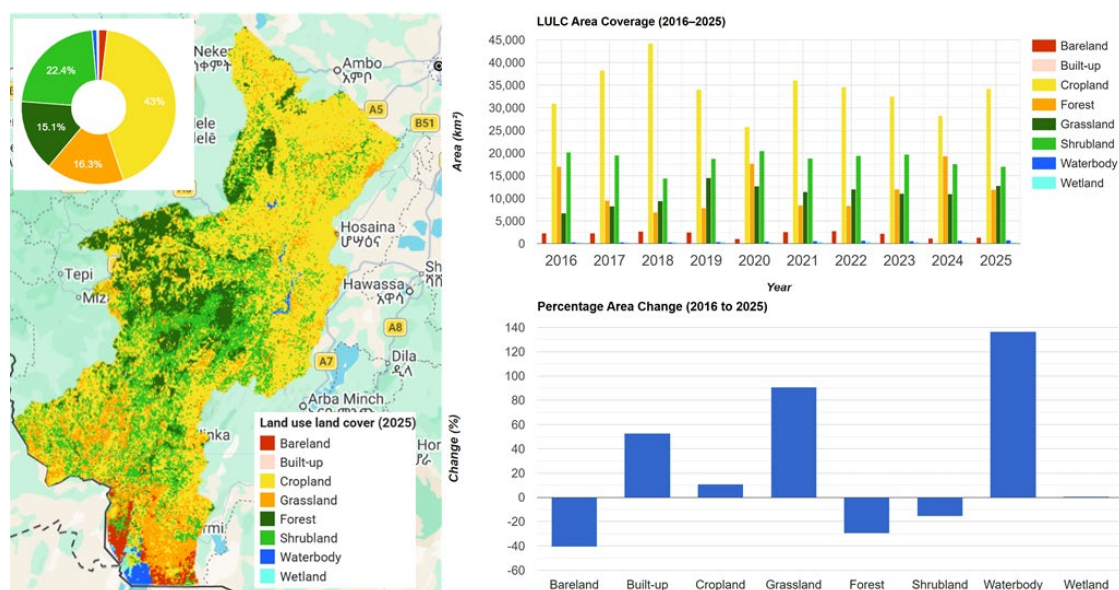
| Hydropower projects              |                    |                    |                    |                |                |                                                   |
|----------------------------------|--------------------|--------------------|--------------------|----------------|----------------|---------------------------------------------------|
| Features                         | Gibe I             | Gibe II            | Gibe III           | Gibe IV        | Gibe V         | Koysha                                            |
| Status (year)                    | Operational (2004) | Operational (2010) | Operational (2016) | Planned (2020) | Planned (2020) | Contract signed (2016) & construction in progress |
| Capacity (MW)                    | 184                | 420                | 1870               | 2000           | 436            | 2160                                              |
| Production yr <sup>1</sup> (GWh) | 722                | 1635               | 6500               | 8000           | 1937           | 6450                                              |
| Dam type                         | Rockfill           | RC                 | RCC                | RCC            | RCC            | RCC                                               |
| Height (m)                       | 40                 | 55                 | 243                | 164            | 60             | 178.5                                             |
| Volume (Mm <sup>3</sup> )        | 839                | -                  | 14700              | 10000          | -              | 6000                                              |
| Area (km <sup>2</sup> )          | 4225               | 4034               | 34150              | 44300          | 49000          |                                                   |

Sources: EEPCO 2009; Salini Impregilo: <https://ethiopia.salini-impregilo.com/en/projects/koysha-hydroelectric-project.html>; LTWP (2016a). RCC refers to roller-compacted concrete, RC refers to Reinforced Concrete

## Annex 2. Major livelihood zones of the Omo-Gibe basin (sources: Author's creation)



## Annex 3 - Land use and land cover maps



Annex 3. Land Use Land Cover (LULC) dynamics (2016–2025): (left) spatial distribution for 2025; (top-right) annual area coverage trends; and (bottom-right) percentage area change. Source: Authors.

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#### Contact

**Wolde Mekuria**, Senior Researcher – Environment and Development, IWMI, East Africa and Nile Basin Office, Addis Ababa, Ethiopia ([w.bori@cgiar.org](mailto:w.bori@cgiar.org)).



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