

Implications of changes in land use for ecosystem service values of two highly eroded watersheds in Lake Abaya Chamo sub-basin, Ethiopia.

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Abstract

Ecosystems provide a variety of ecosystem services and functions for mankind, and their sustainable use plays an important role in livelihoods. However, the resulting land degradation due to land use and land cover changes leads to loss of valuable ecosystems and associated ecosystem functions and services. This study takes two highly degraded watersheds, Aba-Bora and Guder, in Ethiopia and uses the value transfer valuation method to estimate changes in ecosystem service values. The study shows how loss of cropland and grazing lands can significantly affect ecosystem services even when plantations and shrubland increase. The results suggest that over a period of 41 years, the ecosystem service value of exclosures/shrublands and plantations increased, whereas that of crop and grazing lands decreased. The loss of ecosystem service values due to the decrease in cropland and grazing lands outweigh the gains due to the expansion of plantations and exclosures and resulted in a total loss of ecosystem service values of US\$ 1.6 million in Aba-Bora watershed and US\$ 24.4 million in Guder. In both watersheds, the greatest contributor to ecosystem service loss was a decline in supporting services, while the increase in plantation and shrublands (mainly through establishment of exclosures) meant that regulating ecosystem services suffered the smallest loss. Given their importance to livelihoods in these areas, the loss in crop and grazing lands significantly increase the vulnerability to shocks and narrow future livelihood options for many households. Given that severe gully erosion is the major contributor to the reduction in crop and grazing lands, catchment management that integrates the conservation of upstream areas using diverse sustainable land management practices, and gully rehabilitation measures in downstream areas could be an important option to reducing the expansion of big gullies, and conserving crop and grazing lands and ecosystem service values. However, the results suggest that the risks to livelihoods may be underestimated while the effectiveness of current actions to address land degradation over-estimated by communities.

Key words: Catchment management, Croplands, Ecosystem services, Grazing lands, Gully erosion, Livelihoods, spatial and temporal dynamics.

50 **1. Introduction**

Land degradation is a global challenge that affects livelihoods and ecosystems (United Nations Convention to Combat Desertification, 2022). Globally, about 25 percent of the total land area has been degraded and it is estimated that 24 billion tons of fertile soil is being lost per year (The Global Environmental Facility 2019). The problems linked to land degradation, including the
55 loss of fertile soil and biodiversity, are particularly severe in the driest parts of the planet that cover approximately 46 percent of the global land area and are home to around three billion people (Mirzabaev et al. 2019; Dregne 2022; Ziadat et al. 2022). Most people who depend on drylands live in developing countries, where women and children are most vulnerable to the impacts of land degradation and drought (Mirzabaev et al. 2019).

60 Land use and land cover (LULC) changes in the driest part of the globe, particularly the reductions in forests and other natural vegetation and the expansion of croplands and grazed grasslands, are major drivers of land degradation and loss of valuable ecosystems and associated ecosystem functions and services at multiple scales (Reyers et al. 2009; Fu et al. 2021; Qiu et al.
65 2021). For example, land-cover change involves changes in the human management of ecosystems that alter the biogeochemical cycles, climate and hydrology of an ecosystem. It also drives biodiversity loss through habitat fragmentation and destruction. Such transformations due to LULC changes affect a range of provisioning, regulating, supporting and cultural ecosystem services (Mirzabaev et al. 2019).

70 As in other part of the world, LULC changes in the drylands of Sub-Saharan Africa are among the major drivers of land degradation and loss of a wide range of ecosystem goods and services (Karaya et al. 2021; Petersen et al. 2021). For example, a study in east Africa by Bullock et al. (2021) demonstrated a threat to dryland areas and ecoregions due mainly to the reduction of

75 woodlands and forests, and Fenta et al. (2020) reported a US\$60 billion year⁻¹ loss of ecosystem
service values (ESVs) due to the conversion of evergreen forest and shrubland in Sub-Saharan
Africa. Aneseyee et al. (2020) demonstrated that the Omo-Ghibe basin of Ethiopia, one of the
driest parts of Sub-Saharan Africa, is under severe pressure of degradation with significant
consequences for loss of ESVs and rural livelihoods. Similar studies across the drylands of Sub-
80 Saharan African countries, for example, Mekuria et al. (2021) in Central Rift Valley of Ethiopia,
Msofe et al. (2020) in Tanzania, Rotich et al. (2022) in Kenya, reported significant losses in
ESVs due to LULC changes.

Interlinked social, economic, and environmental factors are driving a significant change in
85 LULC in Ethiopia, and these changes are causing considerable losses in ecosystem services
(Tolessa et al. 2021; Biratu et al. 2022). As in other parts of Ethiopia, the current study area, the
Lake Abaya-Chamo sub-basin of the Ethiopian Rift Valley is undergoing considerable LULC
change (Wolde Yohannes et al. 2018; Gebeyehu et al. 2019), and these changes could result in
reductions in ESVs and adversely affect livelihoods (Markos et al. 2018; Temesgen et al. 2018).

90 The Abaya – Chamo sub-basin is highly degraded, and so is experiencing different trends in
LULC changes to many other previously studied regions. Therefore, this study aims to inform
sustainable landscape management practices through mapping the spatial and temporal dynamics
of LULC changes in two highly degraded watersheds, representing mid- and high-altitude land,
95 and assessing the impacts in terms of the monetary values of key ecosystem services and
livelihoods. Particularly, the study aims to determine associated changes in the four types of
ecosystem services (provisioning, regulating, supporting and cultural), and to identify critical
areas for conserving natural resources and reversing the decline of associated ESVs. This study

focussed to answer three broad research questions (a) how have the spatial and temporal
100 dynamics of LULC changes evolved over the last four decades in the two studied watersheds?
(b) how do the changes in LULC influence the total and specific ESVs? and (c) what do these
changes (i.e., LULC and ESVs) and communities' perception on land degradation and
restoration efforts imply for land resources management and livelihoods. The study will provide
improved understanding of the wide variation in natural resources, the drivers of LULC change
105 and implications for ecosystem services and human wellbeing in areas from differing socio-
ecological settings. The study also complements scarce data on the link between LULC changes
and ESVs in Ethiopia and the region, so it will help to identify, design and plan more sustainable
landscape management practices.

110 **2. Methods**

2.1. Case study design and study area

We selected two degraded watersheds (Aba-Bora and Guder), representing midlands and
115 highlands to describe changes in ESVs due to changes in LULC. The study also combined
biophysical and socio-economic datasets as well as collected data in areas from different socio-
ecological settings to draw implications for land resources management and livelihood. The
analyses of LULC changes and the assessment of the associated impacts on ESVs were
conducted for a period of 41 years. This time framework was considered to investigate any
120 possible connections between LULC changes, and key regime changes and community-based
watershed development activities ongoing in in the country since 2010. Thus, four intervals
(1980 - 1990, 1990 - 2000, 2000 - 2010 and 2010 - 2021) were set to enable detection of LULC
and ESVs changes following regime and policy changes.

The study areas, Aba-Bora and Guder watersheds are in the Lake Abaya Chamo sub-basin of the
 125 Ethiopian Rift Valley Lakes basin and drains to Lake Abaya through Bilate River (Figure 1).
 Declining soil fertility, severe soil erosion, reduced access to surface and groundwater, and poor
 water quality are the main socio-economic and environmental challenges in the studied
 watersheds (Sinore and Umer 2021). In response to these socio-economic and environmental
 challenges, the regional bureaus of agriculture, district agricultural offices, and local
 130 administrative bodies mobilized farmers to help with the construction of soil and water
 conservation measures (Wolancho 2015). Table 1 presents some selected characteristics of the
 two studied watersheds.

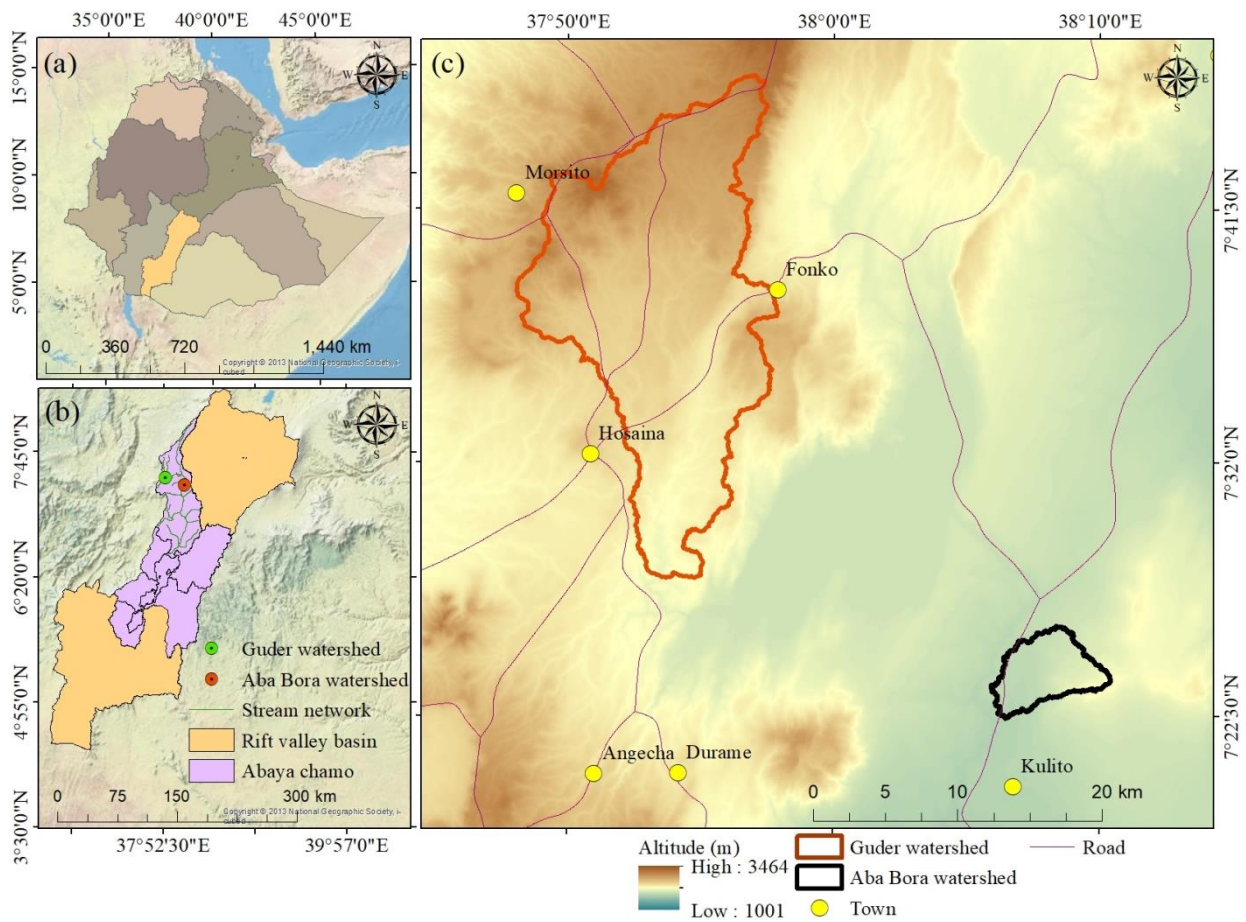


Figure 1. Location of the study area: (a) Rift Valley Lakes basin, (b) Abaya Chamo sub-basin,
 135 and (c) Aba-Bora and Guder watersheds.

Table 1. Selected characteristics of Aba-Bora and Guder watersheds.

| Site characteristics | Aba-Bora watershed | Guder watershed |
|---|-------------------------|-------------------------|
| Area (km ²) | 28.91 | 330.66 |
| Elevation (m) | From 1780 to 2161 | From 2011 to 2944 |
| Dominant land use and land cover | Croplands | Croplands |
| Rainfall distribution | Bimodal | Bimodal |
| Duration of long rainy season | July – September | July – September |
| Duration of short rainy season | March - May | March - May |
| Monthly rainfall during long rainy season (mm) | Ranges from 100 to 146 | Ranges from 149 to 173 |
| Monthly rainfall during short rainy season (mm) | Ranges from 20 to 143 | Ranges from 20 to 150 |
| Annual rainfall (mm) | Ranges from 752 to 1272 | Ranges from 921 to 1556 |
| Mean annual temperature (°C) | Ranges from 19 to 22 | Ranges from 15 to 19 |
| Average Education (years respondent) * | 2.182 | 3.569 |
| Average Family size | 6.472 | 6.517 |
| Average landholding (Timad)** | 3.843 | 2.515 |
| Tropical Livestock Units | 2.985 | 3.982 |

Note: the information on the annual rainfall and temperature is based on data obtained from the nearby stations, Alaba Kulito station for Aba-Bra and Hosana station for Guder watersheds for the year 1992-2012.

* The information on average characteristics in the two watershed was derived from survey data from approximately 500 households collected in four kebele (two for each watershed) in 2021 as described in section 2.4.

** A Timad is equivalent to 0.25 hectare.

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2.2. Assessment of land use and land cover dynamics

2.2.1. Satellite image data

145 Landsat images used in the study of different time points were downloaded from the website of the United States Geological Survey (USGS) (Table 2). These data were acquired to characterize the LULC of 1980, 1990, 2000, 2010 and 2021, and analyse the dynamics of LULC from 1980 to 1990, 1990 to 2000, 2000 to 2010, 2010 to 2021, and 1980 to 2021. To avoid a seasonal variation and reduce the effects of cloud cover, the dry cloud-free seasons (less than 10%) were
150 selected (Table 2).

Table 2. Characteristics of Landsat images used for the analysis of land use and land cover changes.

| No | Sensor | Spatial resolution | Acquisition date |
|----|----------------|--------------------|------------------|
| 1 | Landsat 8 OLI | 30m | Jan-28-2021 |
| 2 | Landsat 4–5 TM | 30m | Jan-30-2010 |
| 3 | Landsat 4–5 TM | 30m | Feb-20-2000 |
| 4 | Landsat 4–5 TM | 30m | Dec-25-1990 |
| 5 | Landsat 1 MSS | 60m | April-16-1980 |

Note: MSS refers to Multispectral Scanner System, TM-Thematic Mapper, and OLI-Operational Land Imager. Tiles of single Landsat scene, Path/row: 169/55 level 1 was used.

2.2.2. Land use and land cover classes

155 A total of six LULC classes (Bare land, Built-up, Croplands, Grasslands, Exclosures/Shrublands and exclosures enriched with plantations) were identified. The description used in this study of the LULC classes are summarized in Table 3.

Table 3. Land use and land cover classes adapted and modified from IPCC

| LULC classes | Description |
|--------------------------------------|--|
| Croplands | Represents lands currently under crop, fallow and preparation, and include both rainfed and irrigated agricultural lands. |
| Exclosures enriched with plantations | Exclosures dominantly covered by eucalyptus and other plantations. |
| Shrublands/exclosures | Protected lands covered with small trees (2-5 m high) mixed with scattered or patches of trees and bush lands. |
| Grasslands | Represents lands dominantly covered with grazed grasslands and bushes (0.2-2m) that also includes scattered or patches of trees. |
| Bare lands | A land use category that includes bare soils, bare rocks, quarry, gravel rocks and degraded lands (mainly big gullies and gorges) and are left without crops, exposed rocks and dried riverbeds. |
| Built-up | Refers to intensively used lands such as rural villages, towns, and roads. |

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2.2.3. Reference data

The collection of ground control points (GCPs) employed multiple steps. First, the LULC classes of the watersheds were analysed using unsupervised classification of Landsat and Google earth images. Second, sampling points to gather GCPs were randomly selected from each LULC class.

165 Third, 460 GCPs, 173 from Aba-Bora and 287 from Guder watersheds, were collected using field surveys. The collection of GCPs was aided by Global Positioning System (GPS) device with a positional error of ± 3 m. An additional 320 reference points, 80 from Aba-Bora and 240

from Guder watersheds, were collected from Google earth images to supplement the GCPs gathered during field surveys. Multiple stages of gathering GCPs were employed to ensure the

170 collection of GCPs from all major LULC classes and fair representation during training and verification of image classification. The field surveys were conducted in February 2022.

The classification of the LULC classes of 1980, 1990, 2000 and 2010 were based on GCPs collected using Google earth imagery, Normalized Difference Vegetation Index (NDVI) and expert knowledge. Accordingly, the GCPs collected from the field were overlaid to Google earth images of 1980, 1990, 2000, and 2010 and permanent features or reference points were identified. This was cross validated with the unsupervised classification and NDVI. The identification of these permanent features or reference points were identified due mainly to ensure a good spatial distribution of reference data over the whole study area. In total about 680 (204 from Aba-Bora and 476 from Guder watersheds), 700 (231, 469), 850 (246, 604) and 950 (285, 665) GCPs were collected from Google earth images for the years 1980, 1990, 2000 and 2010, respectively. Of which, 75% were used for training, whereas the remaining 25% was used for accuracy assessment.

2.2.4. Image pre-processing, classification and accuracy assessment

Radiometric and atmospheric correction were conducted to reduce differences in the sun angle and to better match spectral characteristics of the different LULC classes across time as well as enhance images. The enhanced image bands were layer stacked. Following such image pre-processing, the supervised classification of LULC classes using a maximum likelihood algorithm was performed. The performance of the supervised LULC classification was assessed via three steps. First, the performance was assessed using visual inspection based on the acquired knowledge from the field surveys. Second, a confusion matrix with appropriate accuracy indices (user accuracy, producer accuracy and overall accuracy) and nonparametric Kappa coefficient were used (Jensen, 2005; Lillesand et al. 2004; Congalton and Green 2019) (Supplementary material 1). Third, the performance of the LULC classification was validated using the 25% randomly selected GCPs.

2.2.5. Change detection

Post-classification technique was used to identify and quantify LULC dynamics over a period of 41 years (1980 - 2021). The transition matrix was mapped, and losses and gains for each LULC class determined for the 1980 to 1990, 1990 to 2000, 2000 to 2010, and 2010 to 2021 periods.

200 The results were presented in tables and maps showing the transition of each LULC class. The analysis on the change detection was done using GIS.

2.3. Assessment of changes in ecosystem service values

205 The classified LULC conditions and the ecosystem service valuation database (Brander et al. 2023) were used to assess the change in ESVs. The ecosystem service valuation database (ESVD) is a follow-up to “The Economics of Ecosystems and Biodiversity” (TEEB) database which currently contained over 6700 data points or values from 900 case studies on monetary values of ecosystem services across all biomes (Brander et al. 2023). For this study, we used the
210 data updated in 2020, and this version of ESVD contains 4042 value records based on 693 studies (i.e., three times as many as the original TEEB database). This recently updated ESVD added additional variables, and information on study site location, size and condition. The values recorded in ESVD were obtained from six geographical locations (Continents); Africa (309 studies), Asia (1140), Europe (1639), North America (594), South America (109) and Oceania
215 (223).

The database updated in 2020 (Table 4), and the value transfer valuation method were used to estimate the changes in ESVs in response to LULC changes in the studied watersheds (Johnston et al. 2015). The value transfer valuation method estimates the ecosystem service value at a
220 "policy or study site" using existing information from different "study site (s)". As specific ESVs

for different land use and land cover in Ethiopia (i.e., the study or policy site) is lacking, we first selected the most representative biomes from the list in the ESVD. Second, we used the selected representative biome as a proxy for each LULC class identified in this study (Table 4). Third, we extracted the mean standardized values per ecosystem services per biome indicated in the
225 database for the evaluation. Fourth, prior to use the values in ESVD, we have checked and contextualized some of the values. For example, we excluded the values of the opportunities for recreation and tourism assigned to croplands (i.e., assigned a value of zero, Table 5), as the contribution of croplands in the study watersheds to recreation and tourism is insignificant. This supports not to exaggerate the loss of ESVs due to the loss of croplands in the studied
230 watersheds. We accepted assigning a value of zero for water for plantations (as indicated in the database, Table 5), as the plantations in the study watersheds are mainly covered by *eucalyptus trees*.

The LULC categories might not be identical with the representative biome. For example, the
235 exclosures enriched by plantation are dominantly covered by eucalyptus trees, which might reduce the ecosystem services compared to the representative biome, woodlands and shrublands. Similarly, the exclosures/shrublands in this study are dominated by small and recently regenerated indigenous tree species. However, the values indicated in the ESVD for the proxy biomes (Table 4) can be used as proxies for estimating ESVs of the LULC types identified in the
240 studied watersheds (Gashaw et al. 2018).

The equation described by Gashaw et al. (2018) was used to estimate ESVs from each LULC class and the total ESVs of the studied watersheds. The total ESVs of the entire watershed was obtained by summing the estimated ESVs from each LULC category (Eq. 1, Gashaw et al.

245 2018). In addition, the values of the individual ecosystem services, provisioning, regulating, supporting and cultural, were estimated using Eq. 2 (Gashaw et al. 2018). The 2020 updated coefficients that were used in this study are shown in Table 5. The percent change of ESVs in 1980 to 1990, 1990 to 2000, 2000 to 2010, and 2010 to 2021 periods was calculated using Eq. 3 (Kindu et al. 2016; Gashaw et al. 2018).

250 $ESV_{k=} \sum(A_k \times VC_k)$ Eq. 1.

$ESV_{f=} \sum(A_k \times VC_{fk})$ Eq. 2.

$Percent\ change\ of\ ESVs = \left(\frac{ESV_{recent\ year} - ESV_{previous\ year}}{ESV_{previous\ year}} \right) \times 100$ Eq. 3.

255 Where, ESV_k and ESV_f are ESVs of LULC type ‘ k ’ and ESV service function ‘ f ’, respectively; A_k is area (ha) of LULC type ‘ k ’; VC_k is the value coefficient of LULC type ‘ k ’ (IntS\$ ha⁻¹ yr⁻¹, 2020 Price Levels) and VC_{fk} is the value coefficient of function ‘ f ’ (Int\$ ha⁻¹ yr⁻¹, 2020 Price Levels) for LULC type ‘ k ’.

260 Table 4. Land use and land cover classes, the corresponding biomes and mean standardized values per ecosystem service biome based on the updated values (De Groot et al. 2020). The values are given Int\$/Hectare/Year; 2020 Price Levels).

| Aba-Bora watershed | | Guder watershed | | Mean ESVs |
|-----------------------|-------------------------|--------------------------------------|------------------------|--------------|
| LULC classes | Equivalent biome | LULC classes | Equivalent biome | |
| Bare lands | Desert | Bare lands | Desert | 0.0 |
| Croplands | Cultivated areas | Croplands | Cultivated areas | 4927 |
| Plantations | Woodland and shrublands | Exclosures enriched with plantations | Woodland and shrubland | 769 |
| Grasslands | Grasslands | Grasslands | Grassland | 1597 |
| Exclosures/Shrublands | Woodland and shrublands | | | 769 |
| Build - up | Build – up areas | Built-up | Built-up areas | 0.0 |

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Table 5. Coefficients (Int\$/hectare/year; 2020 price levels) of ecosystem service values for the four-land use and land cover classes.

| Ecosystem services | Croplands | Plantations | Grasslands | Exclosures/ shrublands |
|---|--------------|-------------|--------------|---------------------------|
| Provisioning | | | | |
| Food | 510 | 8 | | 8 |
| Water | 604 | | 313 | |
| Raw material | 6 | 1 | 637 | 1 |
| Genetic resources | | | | |
| Medicinal resources | | 1 | | 1 |
| Ornamental resources | | | | |
| Regulating | | | | |
| Air quality regulation | 10 | 7 | 8 | 7 |
| Climate regulation | 10 | 89 | 73 | 89 |
| Moderation of extreme events | 993 | | | |
| Regulation of water flows | 17 | 71 | 43 | 71 |
| Waste treatment | 40 | | | |
| Erosion prevention | 173 | | | |
| Supporting | | | | |
| Maintenance of soil fertility | 34 | | | |
| Pollination | 1,498 | | | |
| Biological control | 621 | | | |
| Maintenance of life cycles of migratory species | | | | |
| Maintenance of genetic diversity | | | | |
| Cultural | | | | |
| Aesthetic information | 395 | 38 | | 38 |
| Opportunities for recreation and tourism | | 124 | 92 | 124 |
| Inspiration for culture, art, and design | 16 | 214 | 284 | 214 |
| Spiritual experience | | | | |
| Information for cognitive development | | 214 | 147 | 214 |
| Existence and bequest values | | 2 | | 2 |
| Total | 4,927 | 769 | 1,597 | 769 |

270 *2.4. Assessment of communities' perception on land degradation and restoration*

Household surveys were conducted to collect data on average household and farm characteristics and perceptions within communities on land degradation and restoration efforts in both Aba-Bora and Guder. Data were gathered from 248 households in Aba-Bora and 274 in Guder (522 in total) selected from four kebeles (two for each watershed) in February and March 2021.

Random samples of households were drawn from lists provided by each kebele administration after stratification based on wealth and gender status. After pre-testing elsewhere, the data was collected during February and March 2021 using a team of enumerators employing tablets, with

the questionnaires available in both English and Amharic (i.e., the local language). Then data
 280 was cleaned, and descriptive analysis undertaken.

3. Results

3.1. Land use and land cover and spatial and temporal dynamics

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3.1.1. Accuracy of land use and land cover classification

In both watersheds, the results indicate a very good classification performance that satisfies
 overall accuracy of at least 85% and Kappa values of more than 0.80 (Table 6). Also, the
 290 producer and user accuracies show good agreement (>70%). However, in 1980, grasslands and
 plantation in Aba-Bora watershed were poorly classified, with user accuracies of 69.6% and
 68.4%, respectively. Similarly, bare lands, built-up areas and plantations displayed relatively low
 user accuracies in Guder watershed (Table 6).

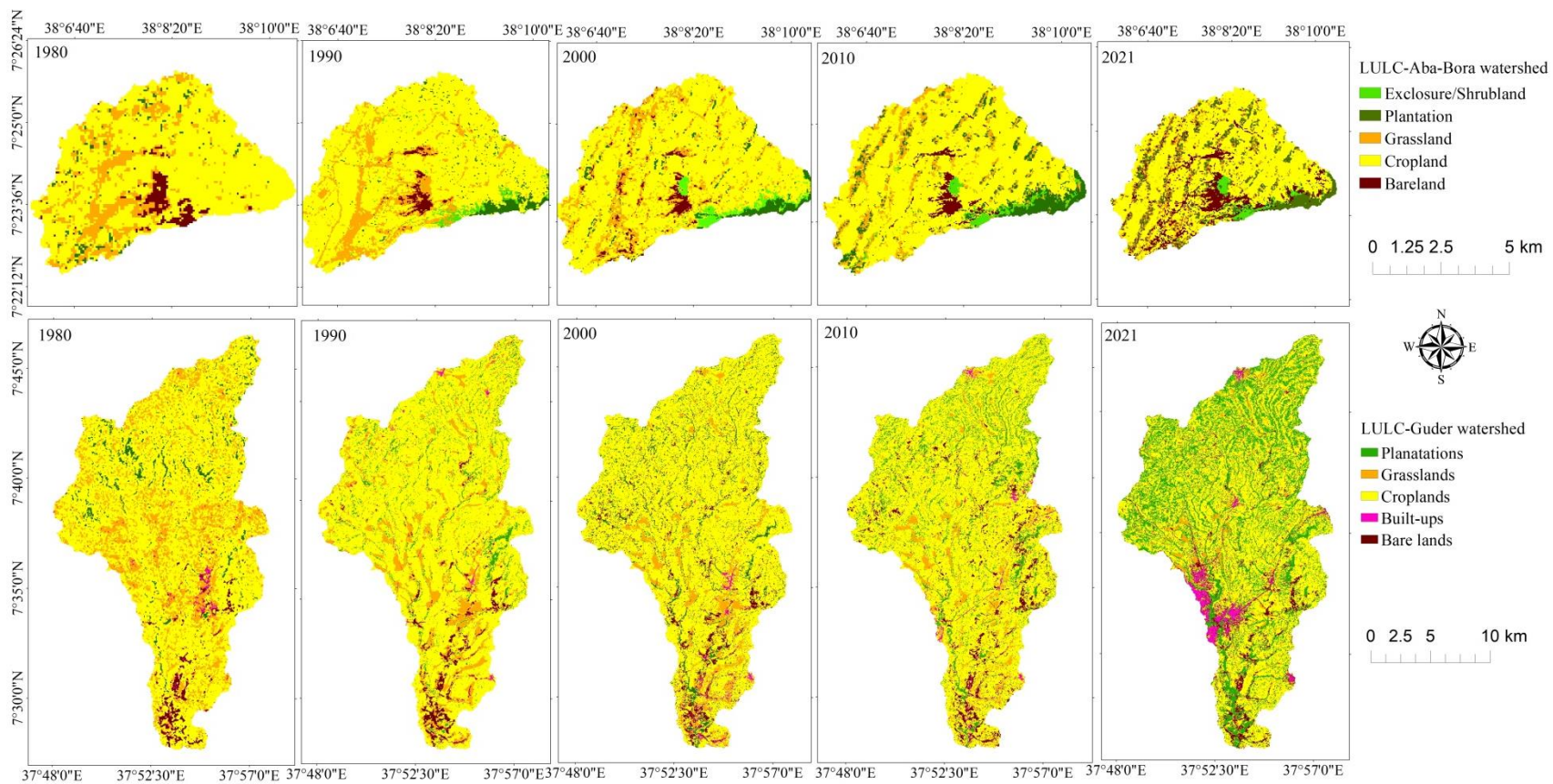
Table 6. Accuracy assessment of classified images for Aba-Bora and Guder watersheds

| LULC classes | Accuracy (%) | | | | | | | | | |
|-----------------------|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Aba-Bora Watershed | | | | | | | | | |
| | 1980 | | 1990 | | 2000 | | 2010 | | 2021 | |
| | Prod. | Users | Prod. | Users | Prod. | Users | Prod. | Users | Prod. | Users |
| Bare land | 76.4 | 70.0 | 96.0 | 82.1 | 93.1 | 86.7 | 98.3 | 91.8 | 91.7 | 86.6 |
| Croplands | 96.4 | 99.4 | 93.5 | 96.9 | 95.6 | 99.1 | 93.5 | 99.2 | 91.9 | 99.5 |
| Grasslands | 90.0 | 69.6 | 69.6 | 74.2 | 76.1 | 73.7 | 97.8 | 72.6 | 96.3 | 70.3 |
| Exclosures/Shrublands | - | - | 95.0 | 73.8 | 96.1 | 68.5 | 95.0 | 75.4 | 91.4 | 79.8 |
| Plantations | 100.0 | 68.4 | 98.2 | 86.9 | 98.2 | 93.7 | 98.0 | 95.2 | 100.0 | 92.3 |
| Overall accuracy (%) | 87.0 | | 88.8 | | 89.4 | | 90.0 | | 92.6 | |
| Kappa Statistics | 0.78 | | 0.83 | | 0.85 | | 0.87 | | 0.88 | |
| | Guder Watershed | | | | | | | | | |
| Built-up | 73.2 | 70.0 | 91.2 | 72.7 | 100.0 | 89.8 | 95.3 | 70.0 | 98.6 | 90.4 |
| Bare land | 86.2 | 70.4 | 98.3 | 86.5 | 92.1 | 73.2 | 97.0 | 73.7 | 88.5 | 75.4 |
| Grasslands | 82.6 | 89.2 | 87.4 | 91.4 | 94.0 | 89.5 | 96.3 | 88.8 | 93.5 | 89.2 |
| Croplands | 94.8 | 92.7 | 81.7 | 91.4 | 79.5 | 90.6 | 90.8 | 98.4 | 91.5 | 97.4 |
| Plantations | 81.2 | 72.5 | 97.5 | 74.2 | 96.7 | 74.0 | 92.9 | 71.7 | 92.7 | 77.0 |
| Overall accuracy (%) | 90.0 | | 87.0 | | 88.4 | | 92.0 | | 92.2 | |
| Kappa Statistics | 0.80 | | 0.84 | | 0.80 | | 0.85 | | 0.86 | |

295 *Note: Prod. Refers to producer accuracy.*

3.1.2. Land use and land cover and spatial and temporal dynamics

The LULC analyses showed that croplands, grasslands and plantations were widely distributed across the watersheds (Figure 2). Of the identified LULC classes, croplands dominated the watersheds (covers 64.3 to 76.4% in Aba-Bora, and 60.3 to 80.4% in Guder watershed) (Table 7). In both watersheds, grasslands displayed negative changes throughout the investigated years while bare lands, exclosures/shrublands, plantations and built-up areas showed positive changes (Table 7). By contrast, croplands displayed a more mixed pattern.



305 Figure 2. Land use and land covers classes of Aba-Bora and Guder watersheds

310 Table 7. Area (ha) of major land use and land cover classes in Aba-Bora and Guder watersheds.

| Aba-Bora watershed | | | | | | | | | | |
|---------------------------|--------------------|--------------|--------------|--------------|--------------|--------------|-----------|-----------|-----------|-----------|
| LULC classes | Investigated years | | | | | LULC changes | | | | |
| | 1980 | 1990 | 2000 | 2010 | 2021 | 1980-1990 | 1990-2000 | 2000-2010 | 2010-2021 | 1980-2021 |
| Bare lands | 127 | 57 | 93 | 94 | 371 | -69 | 36 | 1 | 277 | 245 |
| Croplands | 2156 | 2210 | 2160 | 2118 | 1862 | 53 | -50 | -42 | -256 | -295 |
| Grasslands | 545 | 461 | 422 | 333 | 230 | -85 | -39 | -88 | -103 | -316 |
| Plantations | 60 | 103 | 132 | 260 | 337 | 43 | 29 | 128 | 77 | 277 |
| Exclosures/shrublands | 0.0 | 61 | 85 | 86 | 94 | 61 | 24 | 1 | 8 | 94 |
| Total | 2891 | 2891 | 2891 | 2891 | 2891 | | | | | |
| Guder watershed | | | | | | | | | | |
| Bare land | 696 | 957 | 1459 | 1668 | 2060 | 262 | 502 | 209 | 392 | 1364 |
| Built-up | 314 | 401 | 460 | 508 | 984 | 87 | 59 | 48 | 476 | 670 |
| Croplands | 24441 | 26056 | 26570 | 25497 | 19950 | 1615 | 514 | -1073 | -5547 | -4492 |
| Grasslands | 6409 | 3720 | 2282 | 1963 | 1336 | -2689 | -1439 | -319 | -627 | -5074 |
| Plantations | 1206 | 1934 | 2293 | 3429 | 8738 | 728 | 359 | 1136 | 5308 | 7532 |
| Total | 33066 | 33066 | 33066 | 33066 | 33066 | | | | | |

The analysis of the dynamics of LULC indicates that the studied watersheds experienced various pathways in terms of LULC conversion (Figure 3). For example, in both watersheds, grasslands were converted into croplands and bare lands, croplands to bare lands and plantations, and
315 croplands to plantations and exclosures/shrublands (Supplementary materials 2, 3). Over the period of 41 years, exclosures/shrublands, plantations, bare lands and build up areas increased, whereas croplands and grasslands decreased (Figures 4, 5). The results also indicated that bare lands increased in both watersheds, while built-up areas increased in Guder watershed at the expense of croplands and grasslands (Figure 3). Exclosures/shrublands and plantations in Aba-
320 Bora watershed displayed gains, mainly in the central and southern part of the watershed at the expense of crop and bare lands (Figure 3).

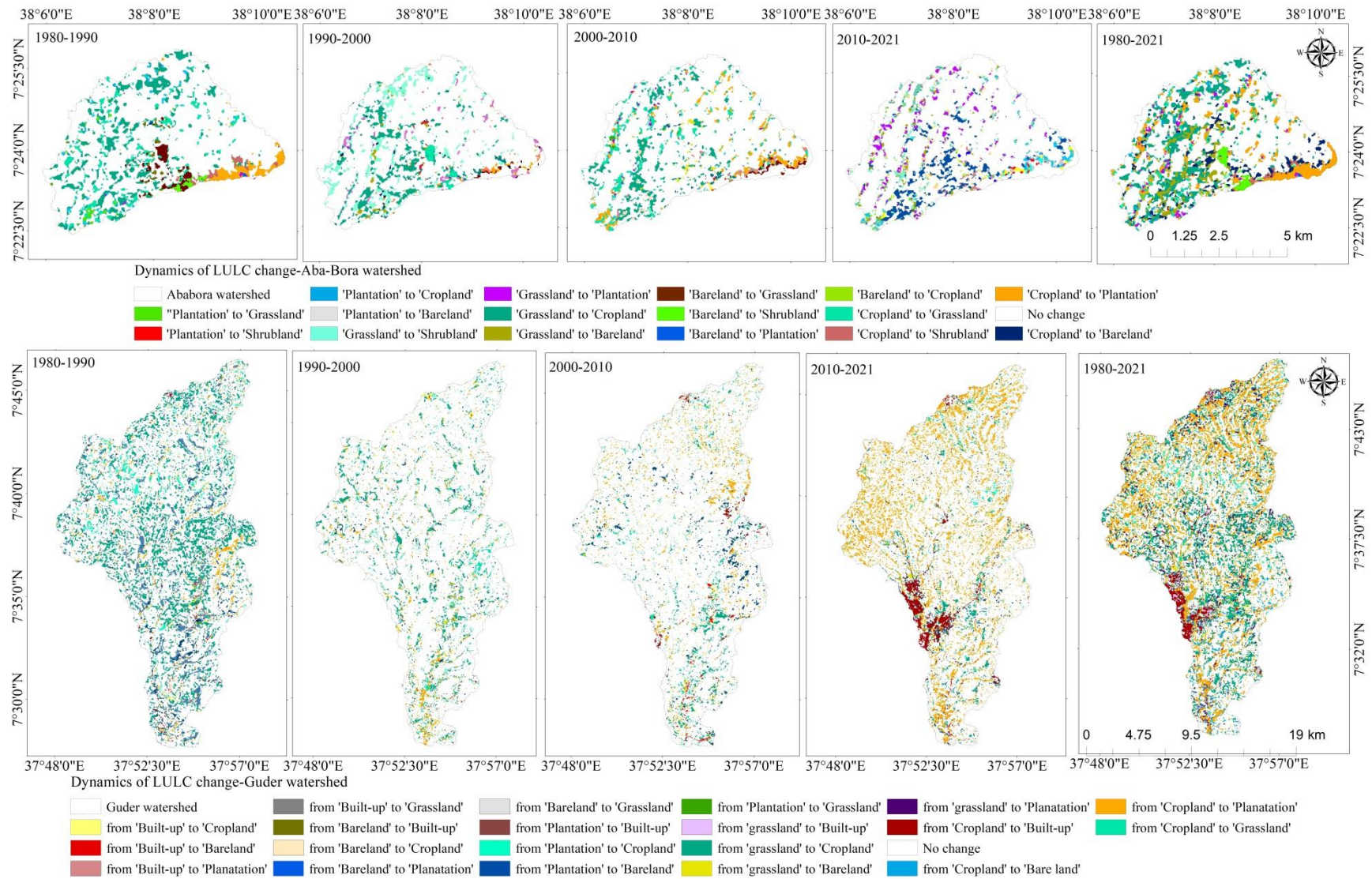
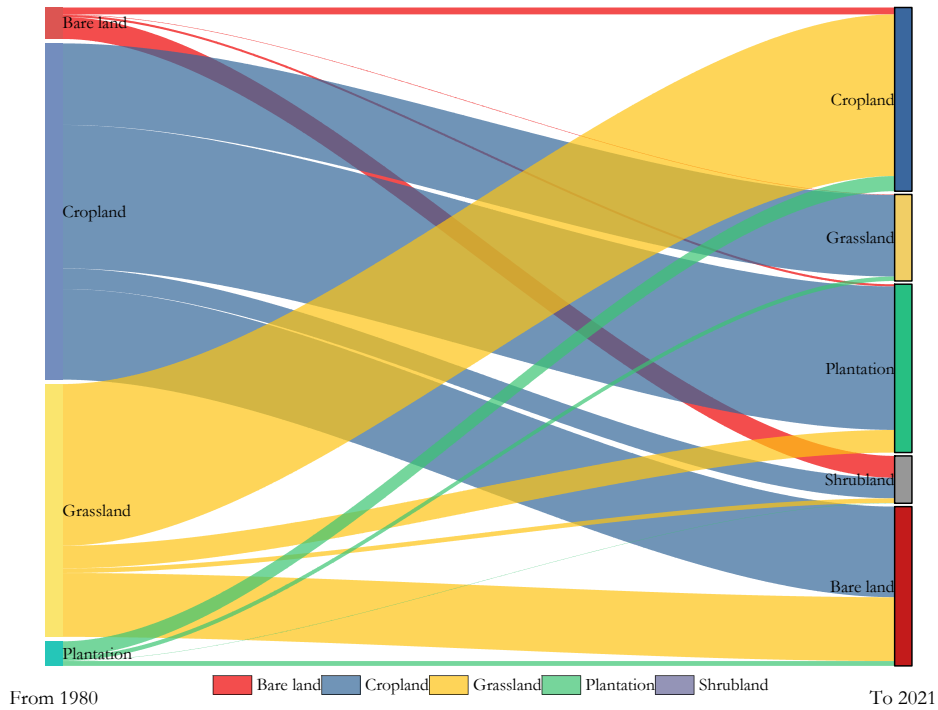


Figure 3. Dynamics of the major LULC classes in the Aba-Bora and Guder watersheds



325 Figure 4. Sankey diagram of LULC change transfer matrix showing “from – to” changes for Aba-Bora watershed from 1980 to 2021.

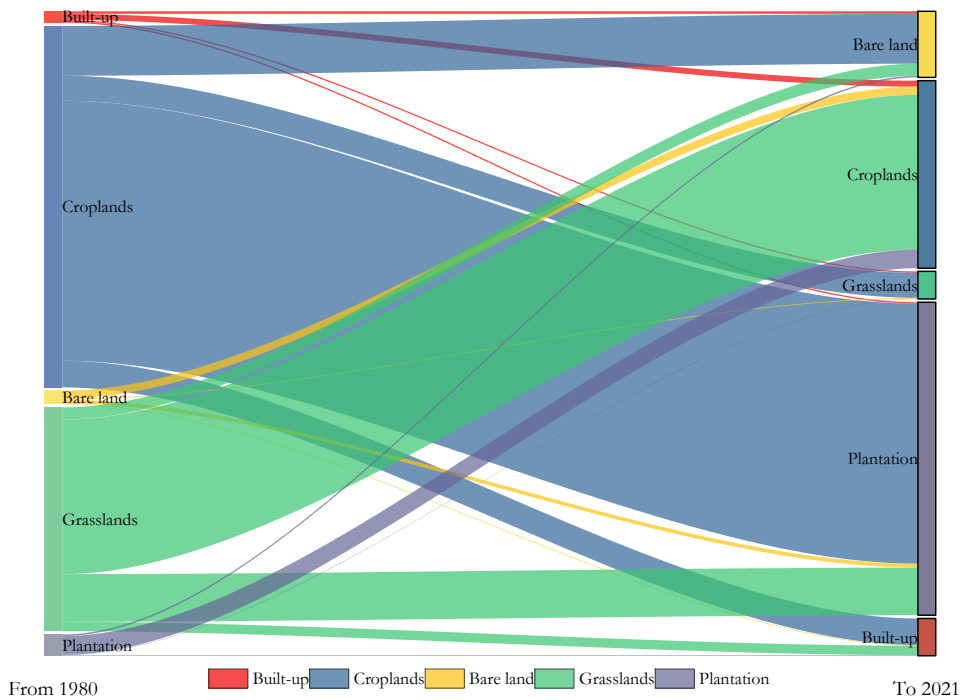


Figure 5. Sankey diagram of LULC change transfer matrix showing “from – to” changes for Guder watershed from 1980 to 2021.

330 3.2. Changes in the total and specific ecosystem service values

The total ESVs in both watersheds decreased over the period of 41 years (Table 8). The total
 ESVs in Aba-Bora watershed fell from US \$ 11.5 million in 1980 to US \$ 9.9 million in 2021,
 whereas the ESVs in Guder watershed fell from US\$ 131.6 to 107.2 million. The changes in
 LULC over the period resulted in a total loss of ESVs of US \$ 1.6 million in Aba-Bora and US\$
 335 24.4 million in Guder watershed (Table 8).

Table 8. Effects of LULC changes on the total ecosystem service values and changes in
 ecosystem service values (in millions of US \$; 2020 price levels).

| LULC types | Total Ecosystem Service Values | | | | | Changes in Ecosystem Service Values | | | | |
|---------------------------|--------------------------------|-------|-------|-------|-------|-------------------------------------|-------------|-------------|-------------|-------------|
| | 1980 | 1990 | 2000 | 2010 | 2021 | 1980 – 1990 | 1990 – 2000 | 2000 – 2010 | 2010 – 2021 | 1980 – 2021 |
| Aba-Bora Watershed | | | | | | | | | | |
| Croplands | 10.6 | 10.9 | 10.6 | 10.4 | 9.2 | 0.3 | -0.3 | -0.2 | -1.2 | -1.4 |
| Plantations | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 | 0.0 | 0.0 | 0.1 | 0.1 | 0.2 |
| Grasslands | 0.9 | 0.7 | 0.7 | 0.5 | 0.4 | -0.1 | -0.1 | -0.1 | -0.2 | -0.5 |
| Shrublands | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Sum | 11.5 | 11.8 | 11.4 | 11.2 | 9.9 | 0.2 | -0.3 | -0.2 | -1.3 | -1.6 |
| Guder Watershed | | | | | | | | | | |
| Cropland | 120.4 | 128.4 | 130.9 | 125.6 | 98.3 | 8.0 | 2.5 | -5.3 | -27.3 | -22.1 |
| Grassland | 10.2 | 5.9 | 3.6 | 3.1 | 2.1 | -4.3 | -2.3 | -0.5 | -1.0 | -8.1 |
| Plantations | 0.9 | 1.5 | 1.8 | 2.6 | 6.7 | 0.6 | 0.3 | 0.9 | 4.1 | 5.8 |
| Sum | 131.6 | 135.8 | 136.3 | 131.4 | 107.2 | 4.3 | 0.5 | -4.9 | -24.2 | -24.4 |

340 In both watersheds, the values of ESVs of most of the individual underlying ecosystem services
 fell (Table 9). Over the period (1980–2021), the greatest ecosystem service loss in both
 watersheds was related to pollination (US\$ 0.4 million in Aba-bora and US\$ 6.7 million in
 Guder), followed by moderation of extreme events (US\$ 0.3 million in Aba-Bora and US\$ 4.5
 million in Guder) and water supply (US\$ 0.3 million in Aba-Bora and US\$ 4.3 million in
 345 Guder). In terms of the classification of ESS into provisioning, regulating etc, services, the
 greatest losses of ESVs in the 1980 to 2021 period were of broadly the same type. In Aba-Bora

watershed, supporting services experienced the largest loss (US \$ 0.63 million), followed by provisioning services (US\$ 0.62 million), regulating services (US\$ 0.34 million) and finally cultural services (US\$ 0.1 million). In Guder watershed, the comparable losses were supporting
350 services (US\$ 9.7 million), provisioning services (US\$ 9.8 million), regulating services (US\$ 5.0 million) and with no overall changes in cultural services.

Table 9. Effects of land use and land cover changes on individual ecosystem services or functions in the studied watersheds over a period of 40 years.

| Ecosystem services | Ecosystem Service Value (ESV) Across Periods (in Millions of US \$) | | | | | | | | | | | |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|-------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------|
| | Aba-Bora Watershed | | | | | | Guder watershed | | | | | |
| | ESV _f 1980 | ESV _f 1990 | ESV _f 2000 | ESV _f 2010 | ESV _f 2021 | Overall change | ESV _f 1980 | ESV _f 1990 | ESV _f 2000 | ESV _f 2010 | ESV _f 2021 | Overall changes |
| Food | 1.1 | 1.1 | 1.1 | 1.1 | 1.0 | -0.1 | 12.5 | 13.3 | 13.6 | 13.0 | 10.2 | -2.2 |
| Water | 1.5 | 1.5 | 1.4 | 1.4 | 1.2 | -0.3 | 16.8 | 16.9 | 16.8 | 16.0 | 12.5 | -4.3 |
| Raw material | 0.4 | 0.3 | 0.3 | 0.2 | 0.2 | -0.2 | 4.2 | 2.5 | 1.6 | 1.4 | 1.0 | -3.3 |
| Genetic resources | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Medicinal resources | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Ornamental resources | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Air quality regulation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.0 |
| Climate regulation | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.8 | 0.7 | 0.6 | 0.7 | 1.1 | 0.3 |
| Moderation of extreme events | 2.1 | 2.2 | 2.1 | 2.1 | 1.8 | -0.3 | 24.3 | 25.9 | 26.4 | 25.3 | 19.8 | -4.5 |
| Regulation of water flows | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.8 | 0.7 | 0.7 | 0.8 | 1.0 | 0.2 |
| Waste treatment | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 1.0 | 1.0 | 1.1 | 1.0 | 0.8 | -0.2 |
| Erosion prevention | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | -0.1 | 4.2 | 4.5 | 4.6 | 4.4 | 3.5 | -0.8 |
| Maintenance of soil fertility | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.8 | 0.9 | 0.9 | 0.9 | 0.7 | -0.2 |
| Pollination | 3.2 | 3.3 | 3.2 | 3.2 | 2.8 | -0.4 | 36.6 | 39.0 | 39.8 | 38.2 | 29.9 | -6.7 |
| Biological control | 1.3 | 1.4 | 1.3 | 1.3 | 1.2 | -0.2 | 15.2 | 16.2 | 16.5 | 15.8 | 12.4 | -2.8 |
| Maintenance of life cycles of migratory species | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance of genetic diversity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Aesthetic information | 0.9 | 0.9 | 0.9 | 0.8 | 0.8 | -0.1 | 9.7 | 10.4 | 10.6 | 10.2 | 8.2 | -1.5 |
| Opportunities for recreation and tourism | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.7 | 0.6 | 0.5 | 0.6 | 1.2 | 0.5 |
| Inspiration for culture, art and design | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.0 | 2.5 | 1.9 | 1.6 | 1.7 | 2.6 | 0.1 |
| Spiritual experience | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Information for cognitive development | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 1.2 | 1.0 | 0.8 | 1.0 | 2.1 | 0.9 |
| Existence and bequest values | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sum | 11.5 | 11.8 | 11.5 | 11.2 | 9.9 | -1.6 | 131.6 | 135.8 | 136.3 | 131.4 | 107.1 | -24.4 |

355 3.3. Perceptions within communities on land degradation and restoration efforts

Households in the two watersheds make their livelihood mainly from a subsistence mixed crop-livestock farming system. In addition to practicing mixed crop–livestock farming, a considerable number of households engage in off-farm and non-farm activities. Figure 6 illustrates the proportion of households receiving income of different types. This shows that agriculture and particularly crop sales income, which over 80% of households receive remain the main source of external income for households (Figure 6).

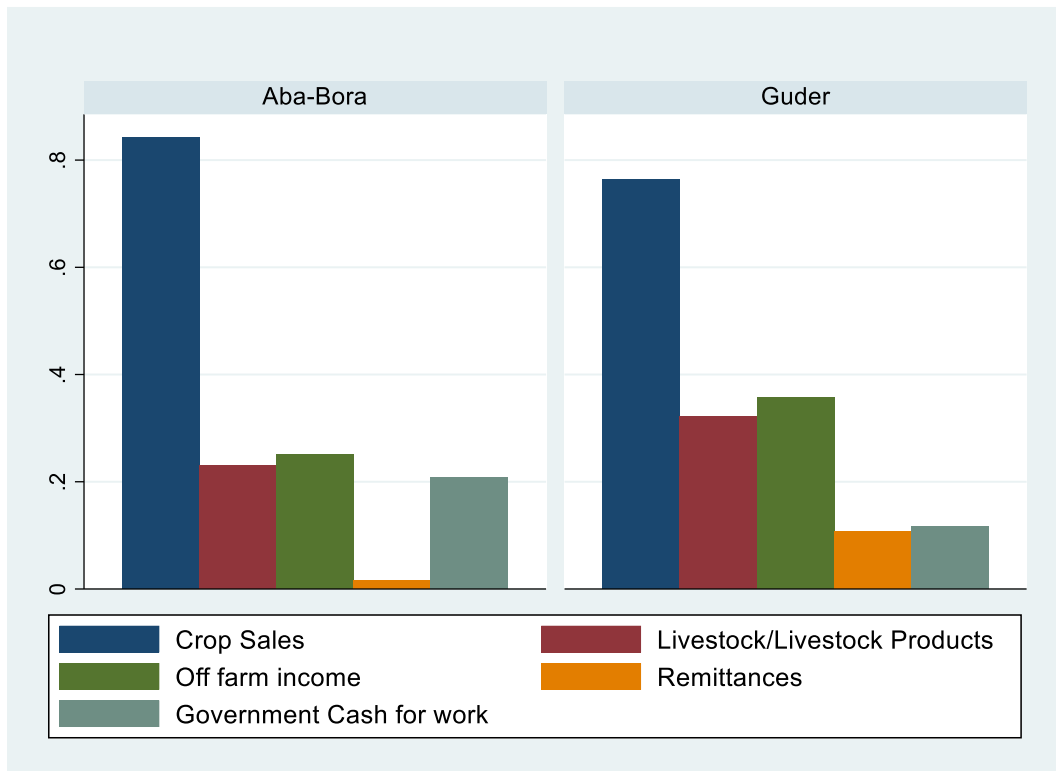
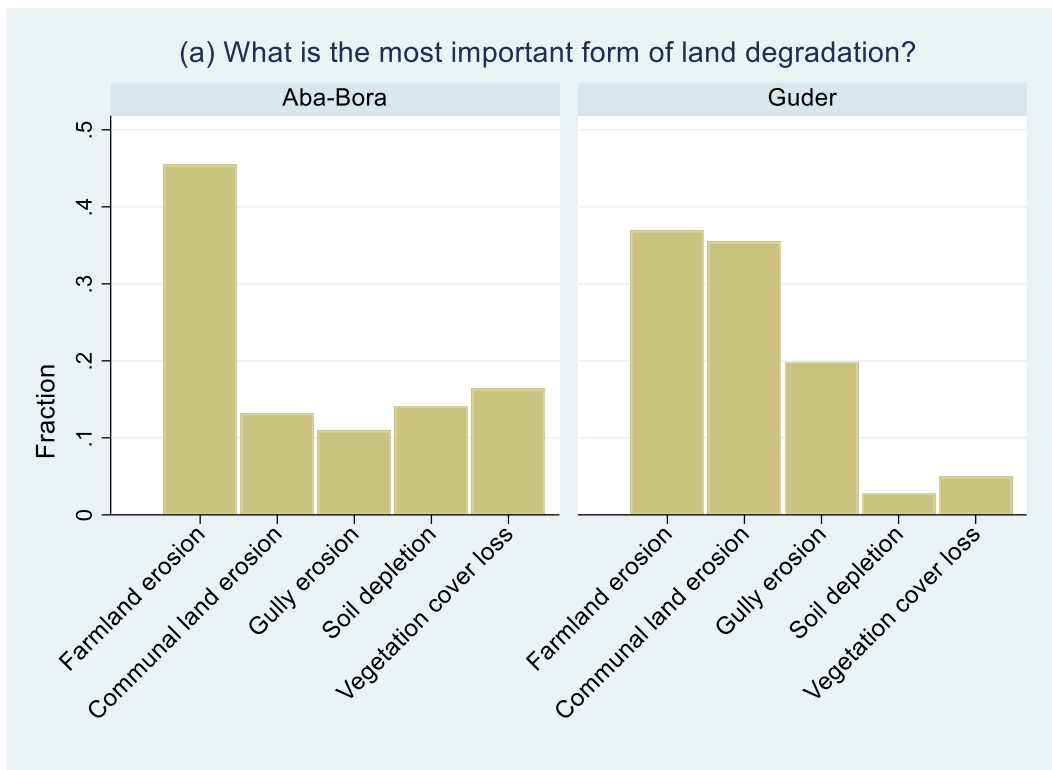


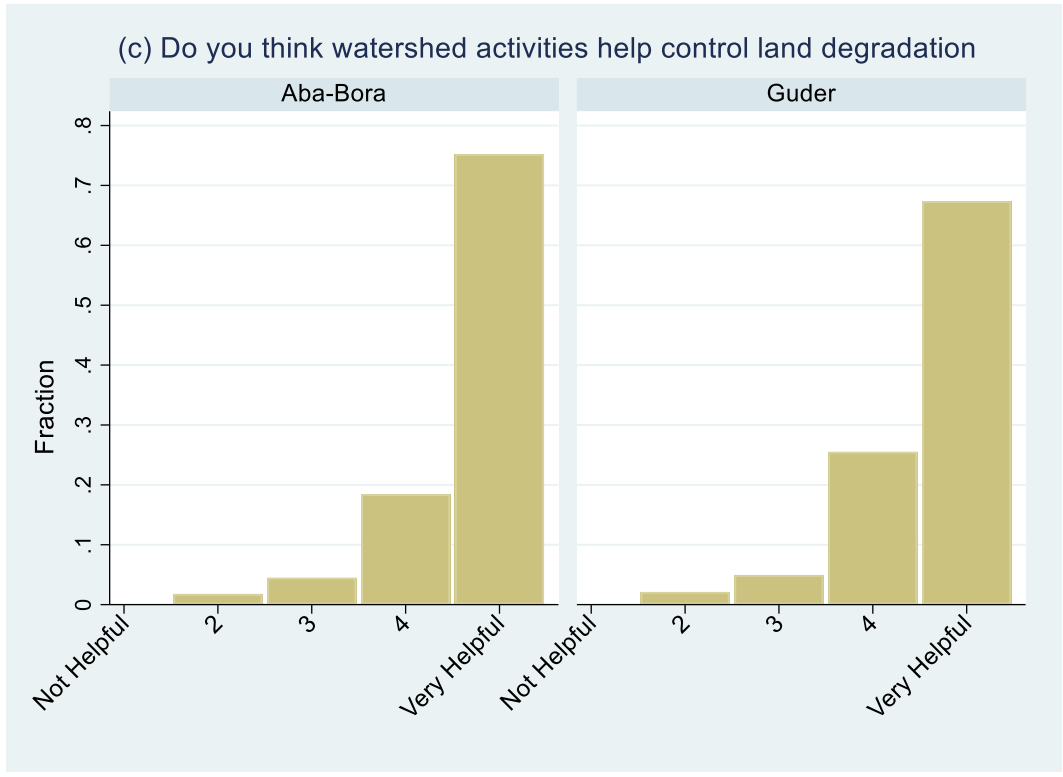
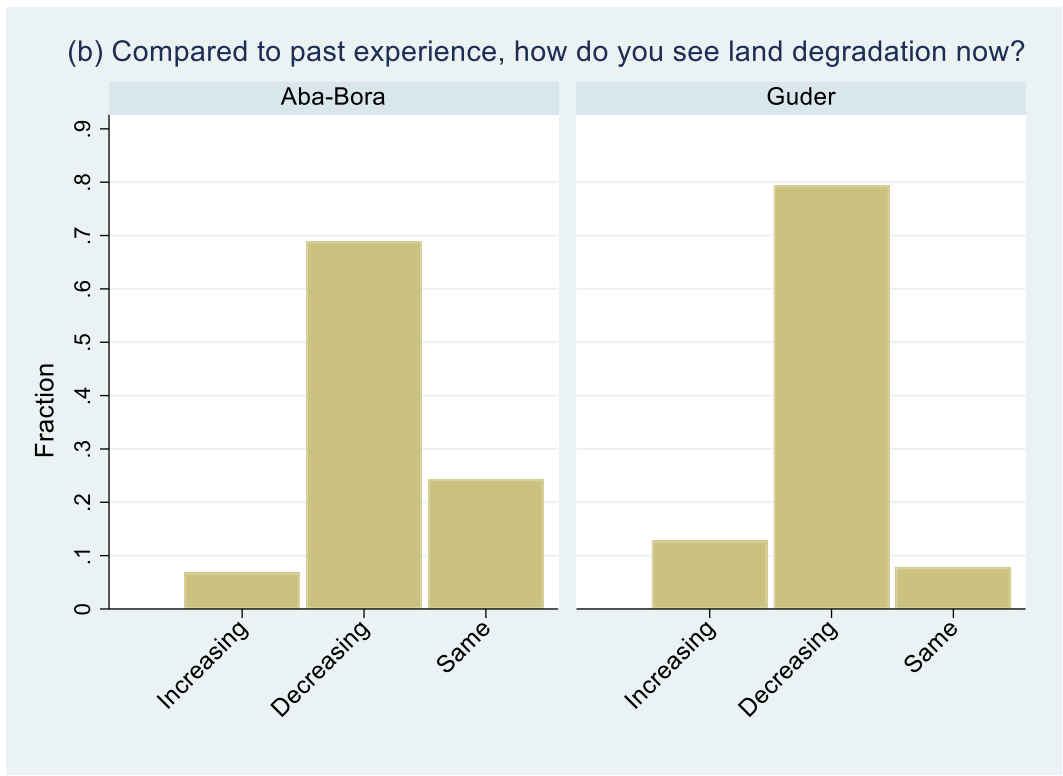
Figure 6. Household Income Sources: Proportion receiving income from each source.

The household survey data collected does suggest that the land degradation challenges are acknowledged by people living in these communities, but the scale of the challenge and risks appear less well-known. Almost 90% of the respondents in Aba-Bora think land degradation is an important problem with over 50% agreeing in Guder. The role of gully formation in land

degradation appears well recognized particularly in Aba-Bora (Figure 7). In contrast to the evidence from the land use change analysis both watersheds most think the problem is getting better, and they are also extremely positive (and possibly over-optimistic) about the ability of current community-based watershed activities to address the degradation problems. Similarly for the ecosystem services provided by enclosures, there appears to be somewhat a disconnect between the importance of such measures for the community and the benefits which accrue to individual households.

375





380 Figure 7. Perceptions around land degradation a) Most important types of land degradation b) Extent of the problem now c) Usefulness of watershed development activities

4. Discussion

4.1. Changes in LULC and ESVs and implications for land resources management and livelihood

385 The overall accuracy of at least 85% and kapa coefficient of more than 0.8 in both watersheds can be rated as substantial and hence the classified image was found to be fit for further use and analysis. The relatively lower user accuracies of grasslands (69.6%) and plantation (68.4%) in Aba-Bora watershed for the year 1980 could arise from that grasslands were often confused with croplands and bare land. Also, the overlap of croplands with plantations contributed to the
390 confusion, so reducing the performance of the classification. Exclosures or shrublands showed low user accuracy for the year 2000, which could be attributed to their spectral similarity with grasslands and croplands. Similarly, bare lands, built-up areas and plantations displayed relatively low user accuracies in Guder watershed, which could be caused by the fact that many croplands (dominated by perennial crops such as Enset) are confused with plantations whose
395 spectral profiles are similar. The relatively low user accuracy of bare lands could be related to the spectral similarity of bare lands with built-up areas.

Unlike other LULC types, the spatial and temporal dynamics of croplands displayed both increasing and decreasing trends in different time periods. For example, the expansion of
400 croplands between 1980 and 1990 in Aba-Bora watershed and between 1980 and 2000 in Guder watershed could be attributed to the growing pressures on land from increasing human population. The loss of croplands after 1990 in Aba-Bora was due mainly to gully erosion transforming productive lands to bad land (bare lands) (Figure 8) and expansion of plantations at the expense of croplands (Figures 4, 5). The key driver for the formation of gullies in the Aba-
405 Bora watersheds is the runoff generated from the untreated upper catchment areas. The soils in

the watershed are loose, dominated by sandy texture and having poor vegetation cover, which all makes susceptible to water erosion (Yakob et al. 2022). The lack of low-cost gully rehabilitation technologies and local communities' awareness on the possibility of addressing gullies at the early stage of gully initiation and formation also contributed the expansion of gullies (Addisie et al. 2017). The loss of croplands in Guder watershed after 2000 could be attributed to the expansion of urbanization and plantations of eucalyptus trees, again at the expense of croplands (Table 7). Smallholders are mainly motivated to plant and convert their productive farm plots into eucalyptus due to the growing demand for wood and wood products as well as the associated increase in the price of its products (Alemayehu and Melka 2022). The expansion of urbanization in Guder watershed can partly be explained by the improvement in income of the local communities due to remittance (Figure 6).



Figure 8. Croplands converted to bare lands due to severe gully erosion in Aba-bora watershed (photo credit: Wolde Mekuria). The picture is taken in 2021 showing untreated upper catchment and big gullies formed in the mid-slope positions.

The analysis of the dynamics of LULC indicates that the studied watersheds experienced various pathways in terms of LULC conversion and have changed significantly since 1980. In line with

the observed changes, land degradation caused by gully erosion and expansion of bare lands are
425 a major concern in the studied watersheds resulting in declining crop and grasslands and
reducing agricultural productivity. It is also found that the major contributor to the reductions in
total ESVs due to LULC changes in both watersheds was the loss of croplands, with the loss of
grasslands being the next most important contributor. These changes in LULC and associated
loss of ESVs are expected to increase in the near future if the current increasing trend of land
430 degradation and expansion of bare lands at the expense of croplands increases.

The results of this study differ from most previous studies, which indicate that loss of forestlands
and shrublands are the major contributors of the loss of ecosystem services (e.g., Hu et al. 2008;
Kindu et al. 2016; Tolessa et al. 2017; Gashaw et al. 2018; Kindu et al. 2018). By contrast, the
435 results of this study demonstrated that loss of croplands could significantly affect ecosystem
services even though plantations and shrubland increased over the period. This, in turn indicates
that addressing degradation of croplands and the consequent expansion of bare lands due to gully
erosion is crucial to maintain ecosystem services and support the livelihood of local
communities.

440 The larger fall in supporting services compared to other ecosystem services can be attributed to
the reduction in coverage of croplands, which particularly affecting pollination, and expansion of
bare lands at the expense of productive farmlands. The relatively lower reduction in regulating
services in both Aba-bora and Guder watersheds was due to the increase in plantation and
445 shrublands (mainly through establishing exclosures).

The unique findings of this study in the spatial and temporal dynamics of LULC compared to
most of the studies (e.g., Reyers et al. 2009; Agidew and Singh 2017; Msofe et al. 2020; Petersen

et al. 2021; Bullock et al. 2021; Karaya et al. 2021; Biratu et al. 2022; Rotich et al. 2022)

450 conducted in Ethiopia and elsewhere in the world demonstrated a quite different result with the change in croplands negative. The analyses of the changes in ESVs also demonstrated that conserving or decreasing the rate of the loss of croplands and grazing lands is key to minimizing the total ESVs losses in the studied watersheds. The evidence presented here suggests that crop and grazing lands are not being managed in a way that recognizes their constraints and
455 vulnerabilities.

Rural communities in the studied watersheds, derive their livelihoods primarily from their crop-livestock mixed farming system (Figure 6). There has been a resulting decline in ecosystem services due to changes in croplands and grazing lands over the past few decades, leading to an
460 increase in unemployment and vulnerability to shocks, and narrow future options. Addressing this through planning, designing and implementation of adaptation strategies requires site specific evidence on LULC changes and the underlying drivers (Abera et al. 2021). Considering that severe gully erosion is the major contributor to the reductions in croplands and grazing lands, catchment management that integrates the conservation of upstream areas through the
465 implementation of diverse sustainable land management practices and gully rehabilitation measures in downstream areas could be an important option to reducing the expansion of large gullies and conserving croplands. In line with this, Esmail and Geneletti (2017) argue that the proper design of watershed investments support to address stakeholder concerns, facilitate negotiation of objectives (e.g., upstream – downstream interactions) and contribute to
470 implementing an adaptive watershed management. Incentives, for example, in the form of payment for ecosystem services (Goldman-Benner et al. 2012) are also required to better engage

both the upstream and downstream communities in watershed development activities and ensure collaboration for a common goal.

475 While suggesting integrated catchment management, we emphasize the need to include local actors in the development of adaptation strategies and management guidelines for the studied watersheds. In line with this, understanding the role of individual and community behaviour in the observed changes, for example, the socio-economic and socio-political processes that help explain the expansion of gullies at the expense of croplands and grazing lands is clearly
480 important. As it is a likely key factor in local communities' participation in catchment management to address land degradation, one crucial component is the extent to which local communities are aware of the changes in LULC and associated changes and risks to ESVs and livelihoods.

485 Here there is mixed evidence that the issues and future risks for communities and individual livelihoods are widely understood and recognized. The household survey data collected does suggest that the land degradation challenges are acknowledged by people living in these communities, but the scale of the challenge, the risks, and the evidence that the land degradation losses are not less than in the past appear less well-known. Similarly for the ecosystem services
490 provided by exclosures, one of the watershed development activities, there appears to be somewhat a disconnect between the importance of such measures for the community and the benefits which accrue to individual households, which suggests the role of ecosystem services and continuing and potentially increasing threat to individual livelihoods posed by land degradation may be less well understood than required for effective action.

495

This, in turn, suggest that understanding the distribution of the benefits and costs associated with the creation and maintenance of exclosures and the ecosystem services they create is important to ensure that, in so far as is possible, such measures are perceived as equitable and just by the community (Schreckenberget al. 2016; Kato-Huerta and Geneletti 2022). This is important for
500 broader economic development, but also because if the benefits and costs are seen to be unfairly distributed, then this may undermine the sustainability of exclosures reducing their usefulness in addressing land degradation.

In summary, the results suggest that more capacity building and knowledge sharing activities are
505 needed to raise communities' awareness on the potential impacts of LULC changes on the ecosystems and livelihood. On the other hand, the optimistic view of communities on the current community-based watershed development activities could be seen as an opportunity to upscale and out scale best-practices in landscape management.

4.2. Limitations and way forward

510 The ESVs coefficients provided by the ecosystem service valuation database (ESVD) have been modified several times, for example the values were modified in 2010 (Van der Ploeg et al. 2010), 2012 (De Groot et al. 2012), in 2014 (Costanza et al. 2014), and in 2020 (De Groot et al. 2020). All these modifications and updates on the ESVD were made to address the criticism of the lack of representation of the context of certain regions, including Ethiopia (Gashaw et al.
515 2018), and over- or under-estimation of some ecosystem services (Tolessa et al. 2017). The modifications also reflect the recognition of the importance of having information on spatial ESVs to support decision making in land degradation and restoration.

Although the ecosystem service value coefficients of different LULC types included in the
520 ESVD are not specific to the LULC classes considered in this study, it supports at least to
indicate the degree and direction of the impacts of LULC changes on total and specific
ecosystem service values. Particularly, conducting such studies using the available global data
helps to generate empirical evidence, demonstrate the long-term dynamics of LULC changes and
associated changes in ESVs, draw broader implication for sustainable landscape management
525 and influence policy and decision-makers and facilitate actions. In addition, this kind of studies
contribute to address the scarcity of evidence on ESVs estimation in the country and in the
highly heterogeneous landscapes of the East African Highlands (Luedeling et al. 2011).
However, efforts are needed to develop country specific data and build a database on the
ecosystem service value coefficients. This would help improve the estimation of the changes in
530 ESVs due to LULC changes and better generate reliable empirical evidence and influence policy
and decision- makers. This, in turn, contributes to better planning, designing, and implementing
landscape management practices and addressing the vulnerability of local communities due to
landscape degradation.

535 **5. Conclusion**

The study aimed to inform sustainable landscape management practices through mapping the
spatial and temporal dynamics of LULC changes in two highly degraded watersheds,
representing mid- and high-altitude land, and assessing the impacts in terms of the monetary
values of key ecosystem services and livelihoods. The study also aimed to identify critical areas
540 for conserving natural resources and reversing the decline of ESVs due to LULC changes. The
study combined multiple dataset and methods to model these changes and draws implications for
sustainable landscape management. The analyses of the changes in ESVs demonstrated that

conserving or decreasing the rate of the loss of croplands and grazing lands in addition to expanding or implementing tree-based forest landscape restoration measures such as plantations and exclosures, is key to minimizing the total ESVs losses in the studied watersheds.

545 Considering that severe gully erosion is the major contributor to the reductions in croplands and grazing lands, catchment management that integrates the conservation of upstream areas through the implementation of diverse sustainable land management practices and gully rehabilitation measures in downstream areas could be an important option to reducing the expansion of large gullies and conserving croplands. Also, understanding the role of individual and community behaviour in the observed changes, for example, the socio-economic and socio-political processes that help explain the expansion of gullies at the expense of croplands and grazing lands is clearly important. Further, the results indicated that raising the local communities' awareness on the potential impacts of LULC changes on ESVs and livelihood through capacity building and knowledge sharing activities is needed. The optimistic view of communities on the current community-based watershed development activities could be seen as an opportunity to upscale and out scale best-practices in landscape management. Further studies are required to identify the success and failure factors of the ongoing community-based watershed development activities, and why the communities failed to stop the expansion of gullies and croplands degradation in the watersheds.

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