

1 Appendices

2 Appendix A 1. Contract Typologies

Contract Typology	Components
Result-Based	• Payment is received for the achievement of environmental or climate results. • Freedom to decide on management practices. • Selected indicators and scoring systems are often used to monitor the outcomes. • Free access to advice and training.
Collective	• Member of a group of farmers seeking to implement environmental activities. • Members work together and are required to get paid for a certain area. • Members decide on the implementation and location of measures, as well as, distribution of payment. • Members and consultants share knowledge and support.
Supply Chain	• Part of a supply chain, which undertakes to provide environmental benefits related to the production of certain products. • Remuneration for environmental benefits is done through the market.
Land Tenure	• Focus on environmental aspects beyond legal requirements. • Lower rent compared to typical land ownership contracts. • Emphasis on environmentally friendly management practices. • Aim to maintain or enhance environmental objectives.

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4 Appendix A 2. Description of dummy variables used in the CLM and LCM

Dummy Variables	Description
Participation in the measure	
part_d3	Participation with only other farmers respective to individual participation
part_d4	Participation with only other supply chain actors respective to individual participation
Type of payment	
paytype_d3	50% of compensation costs + 50% based on results respective to only based on compensation costs
paytype_d4	100% based on results respective to only based on compensation costs

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7 Appendix A 3. Example of a choice card presented to farmers

Attributi (Attributes)	Opzione A (Option A)	Opzione B (Option B)
Partecipazione (participation)	 collettiva filiera (only with other farmers)	 individuale (individual)
Metodo di calcolo del pagamento (type of payment)		

	100% risultati (100% based on results)	50% costi + 50% risultati (50% of compensation cost + 50% based on results)
Livello del pagamento (level of payment)	 100 €/ha	 200 €/ha
Livello della prescrizione (level of participation)	 basso (low)	 medio (medium)

Scelta A ■ Scelta B ■ non partecipo ■

(Choice A – Choice B – Don't participate)

Appendix A 4. Survey questions used to evaluate contract typologies

Prior to the choice experiment, farmers were introduced to the four contract typologies presented in a standardized sequence to all 94 respondents. For each typology, farmers were asked to rate three statements on a 5-point Likert scale (1 = Strongly disagree; 3 = Neutral; 5 = Strongly agree):

1. Understandability: "I understand what this type of contract entails."
2. Applicability: "This type of contract could be applied to my farm."
3. Economic benefit: "This type of contract would bring economic benefits to my farm."

Ratings were collected for each of the four typologies independently, yielding twelve items in total (three criteria $\times$ four typologies). One-way ANOVA was used to test whether mean ratings differed significantly from the neutral midpoint across the sample. Results are reported in Table 4. The sequence of presentation was fixed across all respondents to avoid order effects.

Appendix A 5. Cheap talk script (translated from Italian)

The following script was read to all respondents immediately before the choice experiment tasks:

"Before answering the following questions, we would like to draw your attention to some important points. The contract scenarios presented are hypothetical, but we ask you to answer as if these programs were real and available to your farm today.

Your choices have no financial consequences for you in this study. However, your answers will directly contribute to the design of future agri-environmental contracts in Liguria and at the European level.

Please think carefully about each option presented. The 'no participation' option at the bottom of each card is a valid and genuine choice — if none of the alternatives match your

41 preferences at the given conditions, you should select it.

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43 We ask that you do not overstate or understate your willingness to accept. Please answer as
44 honestly as possible, as if you were genuinely evaluating these contracts for your farm.

45 Experience from similar studies shows that people sometimes say yes to hypothetical programs
46 they would not actually join in reality. We ask you to avoid this and to treat each choice as a
47 real decision."

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