

No. 6184

SWEDEN
and
UNION OF SOVIET SOCIALIST REPUBLICS

**Agreement (with annexes) concerning the construction
of embassy buildings at Moscow and at Stockholm.
Signed at Moscow, on 27 March 1958**

Official texts: Swedish and Russian.

Registered by Sweden on 8 May 1962.

SUÈDE
et
UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES

**Accord (avec annexes) concernant la construction de bâti-
ments d'ambassade à Moscou et à Stockholm. Signé à
Moscou, le 27 mars 1958**

Textes officiels suédois et russe.

Enregistré par la Suède le 8 mai 1962.

[TRANSLATION — TRADUCTION]

No. 6184. AGREEMENT¹ BETWEEN THE GOVERNMENT OF SWEDEN AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS CONCERNING THE CONSTRUCTION OF EMBASSY BUILDINGS AT MOSCOW AND AT STOCKHOLM. SIGNED AT MOSCOW, ON 27 MARCH 1958

Whereas the Government of the Soviet Union has declared its willingness to construct buildings for the Swedish Embassy in Moscow and the Swedish Government has declared its willingness to construct buildings for the Embassy of the Soviet Union at Stockholm, now therefore the Parties have agreed as follows :

Article 1

1. The Government of the Soviet Union hereby makes available, with permanent tenure, a site on Vorobyev Shosse between the Third Vorobyev Proezd and the Fifth Vorobyev Proezd for the construction of buildings for the Swedish Embassy in Moscow, the said site having an area of 21,000 sq. m. as indicated in the attached site plan (annex A).²

2. The Government of Sweden hereby makes available, with permanent tenure, a site in the Marieberg district for the construction of buildings for the Embassy of the Soviet Union at Stockholm, the said site having an area of 21,000 sq. m. as indicated in the attached site plan (annex B).²

3. The sites mentioned in paragraphs 1 and 2 of this article shall be made available free of any indemnity, taxes or other dues, but the structures erected thereon may not be enlarged, transferred or sold without the consent of the other Party.

Article 2

1. The Government of the Soviet Union declares its willingness to construct the buildings for the Swedish Embassy in Moscow in accordance with drawings and specifications prepared or approved by the Swedish Party. The said buildings shall be the property of Sweden.

¹ Came into force on 11 June 1958 by the exchange of the instruments of ratification at Moscow, in accordance with article 15.

² See inserts in a pocket at the end of this volume.

2. The buildings for the Swedish Embassy in Moscow shall be constructed by the Central Board for the Construction of Dwelling Houses and Public Buildings in the City of Moscow of the Moscow City Soviet of Workers' Deputies in accordance with a contract entered into with the Swedish Party.

3. The Government of Sweden declares its willingness to construct the buildings for the Embassy of the Soviet Union at Stockholm in accordance with drawings and specifications prepared or approved by the Soviet Party. The said buildings shall be the property of the Soviet Union.

4. The buildings for the Embassy of the Soviet Union at Stockholm shall be constructed by the State Building Board in accordance with a contract entered into with the Soviet Party.

5. The sites for the buildings shall be made available as soon as they are needed for the construction works. They shall, when made available, be unencumbered by liens and be free of buildings and underground structures. Each of the Parties undertakes to extend to the boundaries of the sites, without cost to the other Party, the necessary streets, as well as water, sewer, gas, electric and telephone lines and mains. The final delivery of the sites shall take place simultaneously with the delivery of the buildings.

Article 3

1. The work of constructing the Embassy buildings shall include putting the grounds of the sites in order, the provision of amenities and the installation of all necessary lines and mains within the boundaries of the sites, in accordance with the approved drawings and specifications.

2. The obligations of the Parties shall not include the purchase of furniture or other movables, including lighting fixtures.

Article 4

1. Preliminary sketches and a brief specification of the buildings shall be supplied by the Parties as soon as possible and not later than five months after the coming into force of this Agreement.

2. The preliminary sketches and the specifications must be approved by the Parties. The Parties shall at the same time draw up and approve a time-table under which the planning and construction of the buildings both at Stockholm and in Moscow will be carried out as far as possible concurrently. The total period for the planning of the buildings shall not exceed two years.

Article 5

1. On the basis of drawings and specifications furnished by the Swedish Party, the Soviet Party shall prepare all necessary working and detail drawings and speci-

fications for all such operations related to the construction works and other technical installations and to the preparation of the site as are to be carried out by the Soviet Party as part of the construction of the Swedish Embassy in Moscow.

2. In like manner the Swedish Party shall, on the basis of drawings and specifications furnished by the Soviet Party, prepare all necessary working and detail drawings and specifications for all such operations related to the construction works and other technical installations and to the preparation of the site as are to be carried out by the Swedish Party as part of the construction of the Soviet Embassy at Stockholm.

3. The Soviet Party shall carry out a soil, rock and levelling survey of the site in Moscow.

4. In like manner the Swedish Party shall carry out a soil, rock and levelling survey of the site at Stockholm.

5. All drawings and specifications must be approved by the other Party before work is begun.

Article 6

1. Cost estimates for the planning and construction of the buildings for the Swedish Embassy in Moscow and of the buildings for the Embassy of the Soviet Union at Stockholm shall, after the approval of all drawings, specifications and other documents required for all the works connected with the construction of the Embassy buildings, be drawn up by an expert committee to which each Party shall appoint its representatives.

2. The cost estimates must be approved by the Parties.

Article 7

1. The financial settlement of accounts on the basis of the cost estimates mentioned in article 6 shall be effected in accordance with the method set out in a statement annexed to this Agreement (annex C).¹

2. The settlement of accounts must be completed before work on the construction of the Embassy buildings is begun.

3. Any agreed alteration of the approved drawings or specifications that affects the cost estimates shall, if either Party so insists, entail an alteration in the financial settlement of accounts.

¹ See p. 344 of this volume.

Article 8

If in the settlement of accounts it is found that the construction costs of the Embassy buildings differ, such difference shall, after the construction has begun, be paid to the Party to which it is due, in four equal instalments up to a limit of 90 per cent of the said difference, on condition that the works are carried out in accordance with the time-table agreed to by the Parties. The remainder shall be paid not later than three months after the date on which the works are completed and after the buildings have been finally inspected and taken over. Payment shall be effected through the clearing accounts opened under the Trade and Payments Agreement between Sweden and the Soviet Union dated 7 September 1940.

Article 9

The Parties shall be entitled to import materials and equipment for the buildings without payment of customs duty. The cost of purchasing and transporting such materials shall be defrayed by the Party for which the construction work is being undertaken. A list of the materials and equipment to be imported must be inspected and approved by the Parties simultaneously with the approval of all drawings, specifications and other documents required for all the works connected with the construction of the Embassy buildings.

Article 10

The construction work shall be carried out in the most efficient manner possible, in accordance with the approved drawings and specifications, so that future maintenance costs will be kept to a minimum. The Parties shall be entitled to supervise the execution of the works and to demand alterations if the work has been or is being done in an unsatisfactory manner. Each Party shall guarantee the good quality of the work for a period of two years and shall, during that period, carry out without cost to the other Party all necessary repairs and maintenance that are due to poor-quality materials or unsatisfactory workmanship.

Article 11

1. In order to supervise the planning and construction work and to settle all questions connected therewith, the Swedish Party shall appoint its own representatives in Moscow and the Soviet Party shall appoint its own representatives at Stockholm.

2. Each Party shall also be entitled to employ up to fifteen of its own foremen and specialists— not more than ten of whom may reside in the other country at any one time— on the assembly of equipment and the utilization of materials supplied from its own country.

Article 12

When the construction of the buildings has been completed, the buildings shall, after final inspection, be approved by the Party for which they have been constructed. The sites and the Embassy buildings in Moscow and at Stockholm shall thereupon be delivered simultaneously to the Swedish and the Soviet Parties, respectively.

Article 13

In so far as the planning and execution of the works, the supply of materials and the exchange of supervisors and other specialists are concerned, it is taken for granted that each Party will endeavour in every way to facilitate the work of the other Party so that the works may be carried out without excessive difficulty or delay.

Article 14

Any dispute concerning the interpretation or application of this Agreement which cannot be settled by agreement between the authorities referred to in article 2, paragraphs 2 and 4, shall be settled through the diplomatic channel.

Article 15

This Agreement shall be ratified subject to the conditions prescribed, respectively, by the laws of Sweden and the Soviet Union. It shall come into force on the date of the exchange of the instruments of ratification, which shall take place in Moscow as soon as possible.

DONE in Moscow on 27 March 1958 in four copies, two copies each in the Swedish and Russian languages, both texts being equally authentic.

For the Government of Sweden :
Rolf SOHLMAN

For the Government of the Union of Soviet Socialist Republics :
A. ZACHAROV

A N N E X C

In accordance with articles 6 and 7 of the Agreement between the Government of Sweden and the Government of the Union of Soviet Socialist Republics concerning the construction of Embassy buildings at Moscow and at Stockholm,¹ the financial settlement of accounts between the Parties shall be effected in the following manner.

¹ See p. 336 of this volume.

Cost estimates for the construction of the Embassy buildings shall be prepared by the Swedish and Soviet Parties in accordance with the approved technical plans.

(a) Cost estimates for the two Embassy buildings (in Moscow and at Stockholm) shall be prepared by the Swedish Party and shall be computed in Swedish kronor on the basis of the prices prevailing in Sweden ;

(b) Cost estimates for the two Embassy buildings (at Stockholm and in Moscow) shall likewise be prepared by the Soviet Party and shall be computed in roubles on the basis of the prices prevailing in the Soviet Union.

After the estimates have been prepared, both Parties shall exchange the relevant documents with a view to defining the methods of calculation and reaching agreement on the final cost of construction.

In order to effect the final settlement of accounts between the Parties, a comparison of the construction costs shall then be carried out in the following manner :

P_m — agreed estimated cost in roubles of the Swedish Embassy buildings in Moscow ;

P_s — agreed estimated cost in roubles of the Soviet Embassy buildings at Stockholm ;

P_m' — agreed estimated cost in Swedish kronor of the Swedish Embassy buildings in Moscow ;

P_s' — agreed estimated cost in Swedish kronor of the Soviet Embassy buildings at Stockholm.

1. If it is found that $P_m = P_s$ and $P_m' = P_s'$, the expenditure of the two Parties will be offset and no payment need be made by one to the other.

2. If it is found that $P_m > P_s$ and $P_m' > P_s'$, and that $\frac{P_m}{P_s} = \frac{P_m'}{P_s'}$, the entire difference shall be paid by the Swedish Party to the Soviet Party in Swedish kronor in accordance with the Soviet cost estimates computed in roubles. Conversion into Swedish kronor shall be at the official rouble rate on the date on which the building in Moscow is taken over for use.

3. If it is found that $P_m < P_s$ and $P_m' < P_s'$, and that $\frac{P_m}{P_s} = \frac{P_m'}{P_s'}$, the entire difference shall be paid in Swedish kronor by the Soviet Party to the Swedish Party in accordance with the Swedish cost estimates computed in kronor.

4. If it is found that $P_m < P_s$ and $P_m' < P_s'$, but that $\frac{P_m}{P_s} \neq \frac{P_m'}{P_s'}$, the average of the percentage differences between the Soviet and the Swedish cost estimates shall be ascertained, and compensation shall then be effected as provided in paragraph 3.

For example :

$P_s = 5,000,000$ roubles

$P_m = 4,500,000$ roubles

The percentage difference is :

$$\frac{5,000,000 - 4,500,000}{4,500,000} \times 100 = 11.1 \text{ per cent}$$

Ps' = 3,500,000 Swedish kronor

Pm' = 3,200,000 Swedish kronor

The percentage difference is :

$$\frac{3,500,000 - 3,200,000}{3,200,000} \times 100 = 9.4 \text{ per cent}$$

The average of the percentage differences is thus :

$$\frac{11.1 + 9.4}{2} = 10.2 \text{ per cent}$$

As the cost of the Soviet Embassy buildings at Stockholm proved to be higher than that of the Swedish Embassy buildings in Moscow, the procedure described in paragraph 3 applies, and the Soviet Party will be required to pay the Swedish Party the following sum in Swedish kronor :

$$\frac{3,200,000}{100} \times 10.2 = 326,400 \text{ Swedish kronor.}$$
