



## Current Affairs of the Day

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#### ➤ International Relations:

1. China lays claim to entire Galwan Valley
2. Russia begins discreet moves to defuse India-China tension
3. India attends FATF group meet online
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### PAPER 3:

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1. Individual contributions to NDRF get green light from Finance Ministry
2. Street vendors to start getting loans by July



## China lays claim to entire Galwan Valley

- China's government on Friday said it claimed the entire **Galwan Valley**, the site of the June 15 clash on the border, including areas that are currently on India's side of the Line of Actual Control (LAC).
- In a statement, the Foreign Ministry accused India of "unilaterally building roads, bridges and other facilities in the Galwan Valley region" and said "the Galwan Valley is located on the Chinese side of the LAC in the western section of the Sino-Indian border".

### Key Points:

- India's constructions, including a bridge across the river that was completed on Friday and is thought to be one of the triggers for the recent clash, are on India's side of the LAC, in an area in between the Galwan-Shyok confluence and the line.
- While most Chinese maps show almost all of the Galwan river within Chinese territory, the western edge of the river where it meets the Shyok River has not previously been shown as Chinese territory previously in most maps.
- By now staking a claim to the entire valley and up to the confluence of the rivers — including on land where India has carried out construction work — Indian officials said China had expanded its claims and was seeking to alter the LAC.
- While the LAC has not been demarcated and there are differing perceptions in more than a dozen locations along the LAC, this has not been a point of contention previously in the Galwan area.
- A Chinese strategic expert cited "historical rights" going back to the Qing Dynasty to claim the entire valley.
- "Multiple accounts from the Qing Dynasty [1644-1911] and Western literature have recorded that the Galwan Valley was China's territory. Based on the principle of 'historic rights,' China has jurisdiction over the valley area," Zhang Yongpan, a research fellow of the Institute of Chinese Borderland Studies at CASS, told the Global Times.
- He referred to India's construction activity near the Shyok river as reflecting an attempt "to break into Chinese land".



- China's new claims, observers said, may have been triggered by last year's opening of the vital Darbuk-Shyok-Daulet Beg Oldie (DSDBO) road, that runs parallel to the LAC providing key all-weather access to the post at Daulet Beg Oldie, one of the northernmost points in Ladakh.
- China may also be seeking access to areas closer to the confluence, from where it could neutralise the strategically important DSDBO road.

## Russia begins discreet moves to defuse India-China tension

### Key Points:

- Russia has launched an energetic behind-the-scenes effort to defuse military tensions between India and China, ahead of hosting a trilateral RIC video conference, which includes External Affairs Minister S. Jaishankar, and Chinese State Councilor and Foreign Minister Wang Yi.
- Russia's diplomatic activism began on June 17, when Russia's Deputy Foreign Minister Igor Morgulov discussed regional security, "including developments on the Line of Actual Control on the border between India and China in the Himalayas," with Indian ambassador to Russia, D. Bala Venkatesh Varma.
- The meeting took place in the backdrop of the clash in the Galwan Valley, in which 20 Indian and an undeclared number of Chinese troops were killed.

### Significance of good relations between India and China:

- Good relations between India and China are central to the rise of Eurasia and the emergence of a multipolar world order, which is not dominated by a single pole.
- The "centrality" of the **Shanghai Cooperation Organisation (SCO)**, which includes India, Pakistan, Russia and China as well as most of the Central Asian Republics as the anchor of a "post-west" global system.
- The persistence of tensions between India and China will not only have a huge negative impact on the SCO but also on the rise of the emerging economies under the **Brazil Russia India China South Africa (BRICS)** grouping.



- But the diplomat pointed out that Russia would only like to play a constructive behind-the-scenes role, as both India and China were fully capable of resolving their differences.

## India attends FATF group meet online

- Indian officials, including representatives from enforcement agencies, on Friday attended the 32nd special **Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG)** plenary meeting, under the aegis of the Financial Action Task Force. The meeting was held online.
- The **EAG** is a regional body **comprising nine countries**: India, Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Belarus.
- It is an associate member of the FATF.
- The FATF's virtual plenary meet will be held on June 24.

## Value Added Information

### About FATF:

#### What is it?

- The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 on the initiative of the G7. It is a “policy-making body” which works to generate the necessary political will to bring about national legislative and regulatory reforms in various areas. The FATF Secretariat is housed at the OECD headquarters in Paris.
- **Objectives:** The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.
- **Functions:** The FATF monitors the progress of its members in implementing necessary measures, reviews money laundering and terrorist financing techniques and counter-measures and promotes the adoption and implementation of appropriate measures globally. In collaboration with other international stakeholders, the FATF works to



identify national-level vulnerabilities with the aim of protecting the international financial system from misuse.

## What is blacklist and grey list?

- FATF maintains two different lists of countries: those that have deficiencies in their AML/CTF regimes, but they commit to an action plan to address these loopholes, and those that do not end up doing enough. The former is commonly known as grey list and latter as blacklist.
- Once a country is blacklisted, FATF calls on other countries to apply enhanced due diligence and counter measures, increasing the cost of doing business with the country and in some cases severing it altogether. As of now there are only two countries in the blacklist — Iran and North Korea — and seven on the grey list, including Pakistan, Sri Lanka, Syria and Yemen.

## Individual contributions to NDRF get green light from Finance Ministry

### Key Points:

- The Finance Ministry has given approval to a proposal to allow individuals and institutions to contribute directly to the **National Disaster Relief Fund (NDRF)**. In an office memo issued on Friday, the Expenditure Department said it had no objection to the proposal made by the Union Home Secretary on May 4.

### Significance:

- This is a significant development at a time when many have expressed concerns about donations sent to the PM CARES Fund or the Prime Minister's National Relief Fund, as both claim they are not public authorities subject to questions under the Right to Information Act.
- On Wednesday, the Supreme Court sought a response from the Centre to a plea that contributions made to the PM CARES Fund to fight COVID-19 should be transferred entirely to the NDRF.



## About National Disaster Relief Fund (NDRF):

- The NDRF was set up in accordance with Section 46 of the Disaster Management Act, 2005.
- It is meant to “**meet the expenses for emergency response, relief and rehabilitation**” for any disaster situation.
- Although Section 46 includes a clause for grants made by any person or institution, provisions for such donations had not been made.

## Street vendors to start getting loans by July

### PM Street Vendors AtmaNirbhar Nidhi scheme:

- Street vendors are likely to start getting small loans starting July under a special **micro-credit scheme** launched by the government as part of the COVID-19-related economic relief package.
- The Ministry signed a memorandum of understanding with the **Small Industries Development Bank of India** to be the implementing agency for the PM Street Vendors AtmaNirbhar Nidhi scheme.
- Under the scheme, vendors can apply for working capital **loans of up to ₹10,000** to restart work after the lockdown.
- The loans will have to be **repaid in a year in monthly installments**.

## IAEA passes critical resolution against Iran

- The board of governors at the **UN's nuclear watchdog** passed a resolution critical of Iran on Friday, the first of its kind since 2012, as tension mounts over Tehran's nuclear programme.
- The resolution was put forward by European states and urges Tehran to provide inspectors from the **International Atomic Energy Agency (IAEA)** with access to two sites in Iran to clarify whether undeclared nuclear activity took place there in the early 2000s.

### Details:

- It “calls on Iran to fully cooperate with the Agency and satisfy the Agency's requests without any further delay, including by providing prompt access to



the locations specified by the Agency”. Iran has been blocking access to the sites for months.

- The resolution was carried by 25 votes in favour versus two against, with seven abstentions. Russia and China, both of which had spoken out against the prospect of a resolution earlier this week, voted against.
- Iran’s Ambassador to the UN in Vienna Kazem Gharib Abadi’ told Friday’s meeting that the resolution will not “encourage Iran to grant access to the Agency based on fabricated and unfounded allegations”.
- Even though the sites in question are not thought to be directly relevant to Iran’s current nuclear programme, the agency says it needs to know if activities going back almost two decades have been properly declared.

## Value Added Information

### About IAEA:

- Set up as the world’s “*Atoms for Peace*” organization in 1957 within the *United Nations family*.
- *Reports to* both the United Nations General Assembly and Security Council.
- *Headquarters* in Vienna, Austria.

### Functions:

- Works with its Member States and multiple partners worldwide to promote the safe, secure and peaceful use of nuclear technologies.
- Seeks to promote the peaceful use of nuclear energy, and to inhibit its use for any military purpose, including nuclear weapons.

### Board of Governors:

- 22 member states (must represent a stipulated geographic diversity) — elected by the General Conference (11 members every year) – 2 year term.
- At least 10 member states — nominated by the outgoing Board.
- Board members each receive one vote.



- Recommendations to the General Conference on IAEA activities and budget.
- Responsible for publishing IAEA standards.
- Responsible for making most of the policy of the IAEA.
- Appoints the Director General subject to General Conference approval.

### General Conference:

- 169 member states — one vote per member.
- Forum for debate on current issues and policies.
- Meets once a year.
- Approve the actions and budgets passed on from the Board of Governors.
- Approves the nominee for Director General.

### Programs:

- Program of Action for Cancer Therapy (PACT).
- Human Health Program.
- Water Availability Enhancement Project.
- International Project on Innovative Nuclear Reactors and Fuel Cycles, 2000.