

**Dear Members**

Assalamu Alaikum

We lament the demise of a great friend of ADFIMI, Dr. Selim Cafer Karataş recently. My Allah almighty grand him eternal happiness.

We include his obituary in this issue. We shall certainly miss him always, but particularly during the next IDB Group Meeting in Jeddah, 26-30 June 2011.

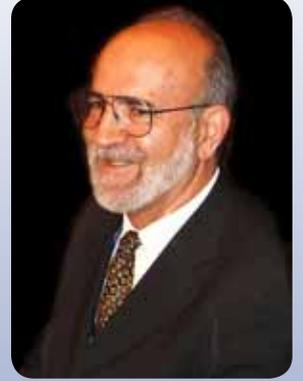
I trust you will join us for the 27<sup>th</sup> General Assembly and the IDB-ADFIMI Joint Seminar on "the Role of NDFIs in Job Creation".

Look forward to seeing you in Jeddah.

Best regards.

**Nuri Birtek**

Secretay General



Dr. Selim Cafer Karataş  
(1947-2011)

- » Obituary- Dr.Selim Cafer Karataş
- » Strategic Management for CEOs, Dubai
- » An Overview of Auditing&Internal Control, İstanbul
- » IFRS Seminar, Kuala Lumpur



## Demise of Dr. Selim Cafer Karataş

ADFIMI mourns the departure of Dr. Selim Cafer Karataş, an outstanding economist who devoted his life to the development of IDB Member Countries. Being awarded a scholarship he completed his university studies in the USA which culminated in a PhD degree in Economics in 1978. Through his 33 years at the IDB, he contributed to the banks activities in almost all areas. Besides being the Executive Director and Board Member of IDB, he also served in the Boards of ICEIC and ICD. Dr. Karataş was An Honourary member of ADFIMI and was always concerned with its success.

He was full of enthusiasm for the well being of Muslims throughout the world and always encouraged them to work for their bright future. He was full of positive energy stemming from his strong belief in the will of Allah almighty.

This was particularly reflected in his patience and endurance after he had undergone a gigantic operation on his stomach when he was discovered to be suffering from cancer. His total submission to his destiny was a source of inspiration us to all.

Besides his talents as a development economist, he excelled in many languages. His mastery of Arabic was especially well known in many circles.

He was fond of Ibn – Khaldun's ideas and published papers and delivered talks to disseminate them. Dr. Karataş, in short, was a pious Muslim; a distinguished friend, an excellent father and husband; an admirable brother.

He reminded us of the Quranic verses.....Those who have faith and do righteous deeds,- they are the best of creatures. Their reward is with Allah. Gardens of Eternity, beneath which rivers flow; they will dwell therein for ever; Allah well pleased with them, and they with Him: all this for such as fear their Lord and Cherisher.....

May Allah Almighty bless him and grant him paradise.

We loved him and will miss him dearly.



**Nuri Birtek**

Secretary General



**Mehmet Emin Özcan**

ADFIMI Chairman

**SME Bank**

SME Bank  
Malaysia visits  
NDFIs in İstanbul

ADFIMI coordinated a two-day visit by the CEO of SME Bank Malaysia, Datuk Dr. Mohd Radzif Mohd Yunus and Dr Sheikh Ghazali Abod, Director Human Capital and Corporate Services.

The visit took place on 18-19 April 2011 when SME Bank team, had meetings with the management of Ziraat Bank, Industrial Development Bank of Turkey (TSKB), Development Bank of Turkey, Vakıfbank, Halkbank, İş Leasing, and KuveytTürk Participation Bank. As a result of the meetings three MOUs have already been signed for cooperation in exchange of personnel for on-the-job training. The parties will negotiate details in the near future.



ADFIMI Seminar on  
**“Strategic Management for CEOs”** Traders Hotel, Dubai,  
 12-13 March 2011

In this course, the participants have evaluated the relationship between strategy and goals. While being informed about different tools in various companies, information was relayed on the categories at goal setting. There were 10 participants from 6 countries and seven institutions



On the first day, Br. Murat Bugan of Development Bank of Turkey has presented the experience of Kalkinma on Strategic Management. Br. Hakan Tokaç, Member of Board of Kalkinma Directors briefly summarized Dr. Günceler’s seminar notes (who could not attend due to visa problem) on Strategic Management, and discussed his experience on the practice of Strategic Management.





ADFIMI Seminar:  
 “An Overview of  
 Auditing & Internal  
 Control for CEOs”,  
 Legacy Ottoman Hotel,  
 ISTANBUL, 26–27  
 April 2011



The primary objective of this course was to assist decision makers to improve their organization’s internal control system and to take full benefit out of internal audit program/function.

The seminar was inaugurated by Br. Mehmet Emin Özcan, Chairman, ADFIMI and Vice Chairman, Board of Directors, Halkbank. During the two day seminar, there were 9 participants from 3 countries (Maldives, Azerbaijan, and Turkey). The resource person was Br. Abdul Hakim Kanan, Chief Internal Auditor, Abu Dhabi Islamic Bank.



## About ADFIMI and Membership

Established in 1986, ADFIMI (Association of Development Finance Institutes in Member Countries of Islamic Development Bank) is an international association serving 51 members in 15 countries with headquarters in Istanbul. The main field of activity of ADFIMI is capacity building of its member institutions and providing networking among its members. In this context, ADFIMI organizes seminar / workshops / conferences for its members in various cities in its region (like Istanbul, Antalya, Karachi, Kuala Lumpur, Amman, Hammamet, Cairo, Beirut, Khartoum, Girne, Prishtina, Damascus, Sarajevo, Islamabad, Kampala, and Tunis). In its 24 year of existence, ADFIMI has trained over 2000 executives and directors from development finance institutions.

Membership entitles development finance institution to send their executive to ADFIMI ordinary training programmes held in major cities listed above free of charge. Subscription fees are based on total assets. Further information can be obtained from the web site at [www.adfimi.org](http://www.adfimi.org) or directly from the Secretariat; [adfimi@adfimi.org](mailto:adfimi@adfimi.org)  
 0090 212 526 51 26



## ADFIMI Special Seminar on “International Financial Reporting Standards(IFRS)”,

Crowne Plaza Mutiara, KL, Malaysia, 25-27 May 2011

There were 19 participants, five of them were from overseas (Pakistan, Bangladesh, Oman, Saudi Arabia, Uganda). The resource person was Br. Oğuz Kemal Bulut, Managing Partner of Midsnell Group International (MGI) Audit and Consultancy. The seminar aimed at incorporating meaningful, real-world-type examples in guiding users in the application of IFRS to complex fact situations that must be dealt with in the actual practice of accounting. The seminar proceeded as planned. At the opening session Br. Nuri Birtek, the S.G. has briefly introduced the resource person. He also thanked to the participants for their attendance. Tan Sri Dato’ Seri Dr. Hj Zainul Ariff Hj. Hussain, AAC Chairman, Chairman, Board of Directors, Universiti Malaysia Perlis (UniMAP) has addressed the participants during the closing ceremony.



## Obituary

**Dr Selim Cafer Karataş**, Executive Director and Member of the Board of Directors of the IDB, and Honorary Member of ADFIMI, passed away on the morning of June 8, 2011, in İstanbul, Turkey.

Dr. Karataş was born in Van, Turkey in 1947. Upon graduating from high school he obtained a highly competitive scholarship and continued his education in the United States. In 1970 he obtained a B.A. in Economics & Government from the University of Redlands in California. In 1972 he obtained an M.A. in Economics from the University of Washington in Seattle, Washington. He moved on to pursue a PhD degree focusing on economic theory, natural resource development and income, international trade and international business, successfully receiving his Ph D in 1978 from the University of Oklahoma in Norman, Oklahoma.

Dr. Karataş His Ph.D. dissertation was titled “The Demand for Money in a Fragmented Economy: The Case of Turkey.”

After completing his Ph D degree Dr. Karataş worked for the IDB for 33 years.

Since 2003, he served as Executive Director and Member of the Board of the IDB, appointed by the Turkish Government.

Dr. Karataş was responsible for overall policy making and the directional strategy of the organization. As a member of the BED, he was directly responsible for the allocation, strategy and approval of over \$5 billion USD annually in funds for project financing and trade activities of the 56 member countries of the IDB.

At the same time, Dr. Karataş was a Member of the Board of the ICD since 2006 where he was responsible for directing and approving projects in the private sector in order to provide the necessary

capital for viable and profitable projects to allow them to be competitive in a global economy.

Dr. Karataş was also a Member of the Board of the ICIEC since 2003, responsible for directing and approving operational strategies of the Islamic Corporation for the Insurance of Investment and Export Credit to further economic ties between member countries and to provide services to exporters, importers, investors and banks in member countries.

Dr. Karataş started his tenure as a Senior Economist and Operations Manager at the IDB in the Country Operations Department, responsible for project portfolio and implementation for Afghanistan, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Pakistan, Turkmenistan, The Maldives Republic and Uganda.

Previously, in his capacity as a Senior Economist and Operations Officer, Dr. Karataş managed project implementation and operational matters.

In this position, he had:

- (a) Been a Member of the Trade and Investment Committee of the Bank, participating in the activities of the Committee finalizing the trade and investment financing projects the bank was involved in. As an indicator of the scope, the total amount for 1999 was USD \$ 1.39 billion.
- (b) Written Country Economic Studies and Policy Analyses, including but not limited to economic reports on Azerbaijan and Central Asian republics, analyses of monetary and fiscal policies, privatization and debt-management capabilities and capacities, as well as economic reviews of project proposals. Furthermore, Dr. Karataş was



involved in overseeing and directing the implementation of approved projects.

- (c) Been a member of the Task Force for the emerging republics in Eastern Europe and the former Soviet Union, participating in meetings, seminars and conferences to determine ways & means of solving some of the problems they faced in their transition to market economies. Dr. Karataş wrote several policy papers on the issue.
- (d) Identified Projects: Dr. Karataş was involved in studies for the identification of projects, areas of interest and commodities to be financed through the IDB's projects and foreign trade financing schemes or other appropriate means.
- (e) Conducted Technical Studies: Dr. Karataş conducted and wrote studies dealing with various aspects of the economic structures of IDB member countries; the pattern of trade among member countries, proposals related to an export financing scheme for member countries, and the identification of joint ventures and other initiatives.
- (f) Been active in Science and Technology and Human Resource Development as Secretary and member of the Science and Technology Committee of the Bank. The committee reviews policies, issues and problems related to science and technology with respect to projects and programs, such as the transfer of technology, technology management and human resource development for successful transfer. Dr. Karataş emphasized the role of the private sector and market economy participation with stable economic policies for economic development and technological progress.
- (g) Been active in pushing developments in Islamic Banking: Dr. Karataş undertook studies, both independently and in cooperation with others, dealing with policy issues arising from prevalent new trends in Islamic finance. Some of the topics covered by these studies include: the identification

of areas and bankable projects for joint-financing; conditions for the survival of Islamic banks as profit-making enterprises in different economic environments and regulatory concerns.

- (h) Served as Coordinator of the Islamic Research and Training Institute IRTI: Dr. Karataş was active right from the inception of the idea; in 1979, he was involved in the conceptual and practical aspects that led to the establishment of IRTI. Dr. Karataş served as the coordinating officer until its General Director was appointed.
- (i) Represented the Bank in Regional and International Fora: Dr. Karataş participated in and presented in-house papers at countless international conferences on behalf of the IDB.
- (j) Conducted Sectoral Studies: He conducted studies on the Cement Sector in OIC Member Countries; Agricultural machine tools produced in member countries, and the Transfer of Technology; and Human Resource Development in member countries.

Dr. Karataş participated in countless seminars and international meetings.

Dr. Karataş has a veritable treasure trove of policy papers and professional reports to his credit.

Dr. Karataş' most recent work "Ibn Khaldun's Economic Theory: The Rise and Fall of Nations" was published in Muslim Heritage.

He was one of the founders and a member of Board of Trustees of the International University of Sarajevo. He was recently awarded the King Juan Carlos (of Spain) Prize for Economic Research. He was the economic policy maker behind Programme of AK Party, ruling Turkey since 2002.

Dr. Karataş spoke six languages and was fluent in five: Turkish, English, French, Arabic, and Persian. He was an avid writer.

Dr. Karataş is survived by his wife and five children and four grandchildren.



## IDB NEWS

Islamic Development Bank Group signed an agreement with the Egyptian Government to provide a 3-year US\$ 2.5 billion package for financing development projects, export and import insurance as well as private sector development plans in Egypt.

The Islamic Development Bank (IDB) in collaboration with the World Trade Organization (WTO) and the Ministry of Foreign Trade, UAE, organized an intensive course on Trade Negotiation Skills for Arab Countries during 12-16 June 2011 in Dubai, UAE.

The Republic of Senegal and the Islamic Development Bank signed two agreements for US\$ 29 million for financing two projects for the second phase of a small irrigation project and urban solid waste management. These projects are expected to combat poverty and achieve food security as well as facilitate environmental protection respectively.

AAA-rated Islamic Development Bank's (IDB) resource mobilization road show through Middle East, Asia and Europe, which recently ended in London successfully bagged US\$750m. The 5-year Trust Certificates (Sukuk), released as part of its 3.5 billion dollar Sukuk Issuance Program, were issued at par with a 2.35% semi-annual profit rate. The Trust Certificates will be listed on the London Stock Exchange and Bursa Malaysia.

The issuance was arranged by BNP Paribas, Deutsche Bank, HSBC and Standard Chartered Bank.

## Upcoming Events

52<sup>nd</sup> Management Committee Meeting, Hotel Jeddah Hilton, KSA, 26 June 2011-06-23

27<sup>th</sup> ADFIMI General Assembly, Hotel Jeddah Hilton, KSA, 27 June 2011

36<sup>th</sup> Annual meeting of IDB Group, Hotel Jeddah Hilton, KSA, 26-30 June 2011

IDB-ADFIMI Joint Seminar, Job Creation, Role of Development Finance Institutions, Hotel Jeddah Hilton, KSA, 28 June 2011

ADFIMI Seminar, Training of Trainers, Hotel Merit, Lefkoşa, 04-08 July 2011

ADFIMI Special Seminar, WFDI 1st Global Conference on Development Banking with the theme "Greening Financial Institutions" in Karlsruhe, Germany, 8-9 September 2011

WFDI BOG Meeting, Karlsruhe, Germany, 8 September 2011

ADFIMI Seminar on Financial Analysis- An overview of Lending Rationales, Male, Maldives, 13-15 September 2011

ADFIMI- SME Bank Malaysia Joint International Development Forum, KLCC, KL, 13-15 December 2011

## Appointments



**Br. Hayrettin Kaplan** has been appointed as the CEO of EXIMBANK, Turkey.



**Br. Metin Pehlivan** has been appointed as the Acting CEO of Development Bank of Turkey (Kalkinma)



**Br. Fevzi Onat** has been appointed as the CEO of Industrial Development Bank of Turkey (TSKB)