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DURING THE MEETING OF STAKEHOLDERS OF THE
CERTIFIED SECURITIES AND INVESTMENT ANALYSTS PROFESSION
HELD AT LAICO REGENCY HOTEL ON FRIDAY, 4 MARCH 2011

Distinguished guests

Colleagues, Ladies and Gentlemen

I am honoured to be with you at this inaugural meeting of stakeholders of the Certified Securities and Investment Analysts (CSIA) profession.

As one of the pioneer graduates of the profession, I am glad that KASNEB has convened this stakeholders' forum to deliberate on the development and promotion of the CSIA profession.

I have been advised that the participants are drawn from a broad spectrum of stakeholders. We have among us students, graduates, members of the Institute of Certified Securities and Investment Analysts (ICSIA), other professional bodies, industry, training institutions, government ministries and departments. This is indeed a distinguished gathering.

Ladies and Gentlemen, the Certified Securities and Investment Analysts (CSIA) is one of the professions examined by KASNEB. As you are aware others include the Certified Public Accountants (CPA), Certified Public Secretaries (CPS), Certified Information Communication Technologists (CICT) and Certified Credit Professionals (CCP).

It is worth noting that since its establishment in 1969 KASNEB has continued to maintain and promote a reputation for high quality standards in professional examinations. For this reason, graduates of the examinations of KASNEB are widely recognised and highly rated globally.

The CSIA professionals are no exception. They are experts in financial and capital market operations, financial analysis, investment and securities, retirement benefits and investment banking.

As you may be aware, KASNEB revised the syllabus for the CSIA examination in 2009 following a benchmarking exercise against other world class institutions that offer financial and investment analyst certification. I am confident that the CSIA graduates are well equipped to compete with the best in the world.

Ladies and Gentlemen, the finance and investment sector is developing very rapidly and opening up many new opportunities. At the same time the sector is experiencing many challenges revolving around professionalism and ethical behaviour. The recent financial turmoil in most parts of the world raises numerous questions on the role, performance and ethical standards of investment professionals.

At the national level the attainment of the objectives of Vision 2030 will require mobilisation of domestic capital for long-term investment in all sectors of the economy. In my view, this will present enormous opportunities for CSIA graduates. One particular aspect that I would like to highlight as an example is the challenge arising from the creation of a devolved system of government following the promulgation of the new Constitution. This will necessitate the raising of capital by the 47 Counties and the CSIA professionals will be expected to play a leading role in this effort.

The new Constitution stipulates that 15% of total revenue or about Kshs 3 billion each, every year must go to the county governments and another 0.5% to the Equalisation Fund for marginalised communities. However, the allocation of revenues from the central government as stipulated in the Constitution is not sufficient to fund the operations of the counties. This, Ladies and Gentlemen, raises several fundamental questions:

- What will it cost to put in place the infrastructure and administrative structures for a devolved government?

- What will it take to provide basic services in the country's poorest regions?

The financing needs are enormous. Massive capital outlays will be required to fund infrastructure development and meet operational expenditure. Each county will have to rise to the challenge of making its population and region more productive and encouraging local and foreign investors. Innovative financing solutions will be required.

These challenges will only be met by the full engagement of appropriately qualified professionals in finance and investment who not only possess cutting-edge knowledge and skills but are also of unquestionable integrity.

To date KASNEB has certified about 300 such professionals who are serving in various capacities. However, a review of job advertisements placed in the media for positions in finance and investment reveals a low level of market awareness of the existence of these professionals. This is one reason why we are gathered here today to deliberate on ways of developing and promoting the CSIA profession locally, regionally and internationally.

Ladies and Gentlemen, our endeavours to promote the CSIA profession to become a powerhouse in Africa, must start with the CSIA graduates themselves playing an increasingly prominent role. I would therefore urge all CSIA graduates to join the Institute and work together to raise the profile of the profession, to exchange ideas and participate in continuous professional development activities. The future of the profession lies in our hands, we the CSIA graduates.

I am aware that the Institute of Certified Securities and Investment Analysts (ICSIA) has joined the membership of the Association of Certified International Investment Analysts (ACIIA) in order to promote the CSIA profession globally. Modalities are being explored to facilitate mutual recognition between members of ICSIA and members of ACIIA. This is a welcome development, but one which should be handled with care to ensure that it is in harmony with the objectives of the CSIA profession.

Ladies and Gentlemen, allow me to say a few words touching on training institutions, industry and government.

The role played by training institutions in the promotion of the CSIA profession, as in any other profession, is critical. I therefore salute those training institutions that are offering tuition to CSIA students and at the same time challenge other training institutions to introduce tuition for the students in order to hasten the development of a critical mass of CSIA professionals to meet the growing demand in the market. In this regard, I am pleased to note that KASNEB has, with effect from this year, introduced accreditation of training institutions in order to ensure that the institutions meet certain minimum standards which are aimed at assuring students and their sponsors of high quality tuition. I am informed that KASNEB will also publicise and promote the accredited institutions.

Those of us in the industry also have a key role to play in promoting the CSIA profession. Firstly, by recognising the students and graduates of the profession and providing them with opportunities for internship and employment; secondly by incorporating the CSIA qualification in our company's career development schemes; thirdly, by sponsoring our staff to undertake the CSIA examination so as to qualify as professionals and; fourthly by paying the membership subscriptions to ICSIA for those members of our staff who are eligible to join the Institute.

I am confident that from today, we shall witness a growing number of advertisements for finance and investment positions requiring applicants who possess the CSIA qualification.

In addition, I wish to urge the Institute to actively lobby the government to pass an Act of Parliament for the Institute of Certified Securities and Investment Analysts (ICSIA) similar to ICPAK and ICPSK. I have been informed that a Bill has already been drafted for this purpose. I urge the government and especially the Ministry of Finance to take up this matter with urgency and give it the priority it deserves. An appropriate legal and institutional framework for the Institute is essential to the growth and sustainability of our profession.

Ladies and Gentlemen, as I conclude, I am happy to note that KASNEB will this morning launch a CSIA Alumni and a CSIA students association. These will provide a forum for networking and sharing of information. They will also be instrumental in advising KASNEB and ICSIA on matters of interest to the profession. I urge all students and graduates to participate fully and effectively in the two bodies to foster the growth of this noble profession.

Thank you all for your attention. May God bless you.