

SECRETS OF AN Indie-Funding Master



INDEPENDENT PRODUCER SHRIHARI SATHE SHEDS LIGHT ON THE CONSIDERABLE MONETARY RESOURCES AVAILABLE TO FILMMAKERS OUTSIDE OF TRADITIONAL FINANCING MODELS.

WRITTEN BY ISAAC FELDBERG

While many producers spend years figuring out how to play the Hollywood game, independent producer Shrihari Sathe has thrived outside of the studio system. A native of India, Sathe leverages a network of global economic resources to help both American and international filmmakers from marginalized backgrounds bring their stories to the screen, and he's learned quite a few tricks of the trade along the way.

An Independent Spirit Award-winning producer (and PGA member) who was among this year's class of invitees to join the Academy of Motion Pictures Arts and Sciences, Sathe worked stateside to introduce audiences to the radically empathetic cinema of writer-director Eliza Hittman with *It Felt Like Love* and *Beach Rats*. More recently, he collaborated with directing duo Paul Felten and Joe DeNardo on their lauded debut feature, thriller *Slow Machine*.

But this past decade, Sathe's most dynamic feats as a producer have involved working on international co-productions, from a Pakistani-U.S.-Norwegian-Indian co-production (*Dukhtar*, Pakistan's official submission to the 87th Academy Awards) to a Tibetan-U.S.-Indian co-production with UK equity investments (*The Sweet Requiem*). A creative force whose films have played festivals all over the world, Sathe specializes in pooling multiple financial resources into successful international co-productions, combining government grants, tax incentives, and other funding sources from co-producers' individual territories with infusions of private equity.

Raised in India, Sathe came to the United States to study at the University of Michigan, majoring in film, video studies, global media and culture. Taking classes on international cinema, he became fascinated by the ways film industries in Latin American countries were influencing West African cinema, and vice versa. "It was really interesting to see the intersectionality of how people communicated through the medium of cinema," he recalls.

Earning his MFA at Columbia, Sathe studied directing and producing. As his interest in independent film grew, so did his appreciation for the bounty of resources accessible to indie producers—especially those willing to restructure film financing models to accommodate a more globalized perspective.



AS AN INDEPENDENT PRODUCER, HOW DO YOU APPROACH FUNDING YOUR PROJECTS?

In a lot of ways, I approach it like a tech startup. How do I get people riled up, and how do I get people interested in bringing this filmmaker's vision to life? A lot of my films have been first features by writer-directors. It's not only investing in a film, but it's also investing in the career of an emerging artist, in the talent of someone

who needs that platform. I've produced a lot of first features, and it's something I'm immensely proud of.



WHAT'S AN EXAMPLE OF A PROJECT YOU'VE PRODUCED THAT WASN'T NECESSARILY LUCRATIVE FROM A FINANCIAL POINT OF VIEW BUT BROUGHT THOSE INVOLVED SOME OTHER SATISFACTION?

Pretty much every film I've done has seen some kind of lucrative value for pretty much everyone involved. For the director, the film has either been critically successful, and they were able to get a grant from a foundation or government to work on their next film, or they got hired by a company to direct commercials. From an investor's point of view, they came on board because the film was going to help drive some kind of social change and lead to conversations, and that's the satisfaction that they got. Luckily, in a few cases it has been that satisfaction, along with financial recoupment, which has been amazing. For me, if I can help investors recoup their money and then some—and still make social change possible—I'm tremendously happy. If you look at my body of work, nearly half of the films I've done are American, and about half of them are international. But a lot of them have some kind of underlying social issue concept where it's not really driving the message or hitting it on the head, but it's underlying.



TELL ME ABOUT A PARTICULARLY CHALLENGING PROJECT THAT YOU'VE PRODUCED.

I have a film called *Screwdriver* (*Mafak*) that I produced that is entirely in Arabic that was shot entirely in the West Bank. I started putting that project together at the end of 2010. It was very hard to raise money in the U.S. because the film

was not in English. It was a first-time filmmaker who is from the West Bank but was educated in the U.S. and Canada. I took that project through the Sundance Creative Producing Fellowship and that opened a fair amount of doors, for that project and just in general for my career, because I met a lot of people in the industry that I wouldn't have normally met. As we were financing that project together, we realized it would be hard to raise the funds for a non-English-language film in the U.S., and I did face a fair amount of resistance here saying, "Oh, we don't know how this market works. We like the story. We like the vision, but we don't see any *recoupability*, so we're not interested."

I've known the filmmaker, Bassam Jarbawi, since 2005, so I really wanted to make the film. I believed in the subject matter and the story. The film was about a 17-year-old Palestinian boy who gets incarcerated for a crime he did not commit. He ends up going to jail for 15 years, then being released. It was about his reassimilation back into society that has really moved on, while he's still stuck in the mind of a high school boy. How is he going to readjust? While the story was extremely specific to the Israel-Palestine conflict, it was very universal, because incarceration is happening everywhere. The idea of a prisoner's reassimilation was very universal. I knew this film could travel.



AS FINANCING *SCREWDRIIVER* WITH JUST U.S. EQUITY WOULDN'T HAVE BEEN POSSIBLE, WHAT WAS YOUR NEXT MOVE?

At one point, the film was structured as a very complicated co-production between the U.S., Palestine, Qatar, Kuwait, Germany, France, and Norway. That's a lot of countries for a very small, sub-million-dollar indie film, and we tried to set it up through a European co-production model for a number of years. At the same time, I



“FOR ME, IF I CAN HELP INVESTORS RECOUP THEIR MONEY AND THEN SOME—AND STILL MAKE SOCIAL CHANGE POSSIBLE—I’M TREMENDOUSLY HAPPY.”

was trying to raise money in the U.S., and actually had one financier who came to me and asked, “Can you make this film in Spanish and change it to Mexico?” And I’m like, “No, that is not the intention of the story and not the intention of the writer-director. It was always perceived as an Arabic-language film. I had to walk away from that investment because the financier wanted something totally different. But it only strengthened my resolve. Ultimately, we ended up structuring the film as an equity project between the U.S., Kuwait, Palestine and India, and then we got a big grant from the Doha Film Institute for production, some small grants from the Sundance Institute, and a postproduction grant from SF Film to help finish it. The movie premiered at the Venice Days (Giornate degli Autori) in 2018, followed by the Toronto International Film Festival as the closing-night film in their Discoveries section. It has continued to have a very successful festival and nontheatrical run.

I’m actually looking for distribution for that film in the U.S. right now.



WHAT’S THE MOST ESSENTIAL SKILL THAT YOU NEED TO WORK ON INTERNATIONAL CO-PRODUCTIONS?

It’s important to understand how different funding systems operate and are modeled, and to understand the requirements of the different funds involved. The U.S.-based producer can bring private equity to the table; here, we don’t have government support other than tax credits from different states. There’s no up-front soft financing like European and Latin American countries have. Equity is hard to come by in other countries because of the public funding systems they have in place. Equity can help close the gaps some of these European and South American productions have, for example.

As a producer, you need to have conversations with international producing partners to find a commonality that will work for both the equity investors as well as the needs of the project. All the public funds have different requirements, and some of them even conflict with each other. You have to negotiate with all the different entities to make sure the equity is comfortable being on the project.



IS THERE A RECENT PROJECT WHERE PRIVATE EQUITY BECAME RELEVANT?

I’m currently in postproduction on *The Cow That Sang a Song About the Future*, which is a French-German-Chilean co-production with some U.S. private equity. I would say the U.S. equity no doubt made the project possible, because all these different countries had put together different soft financing from

the governments and foundations, but there was still a gap. I was able to bring some equity investors on board in order to close the financing, which essentially greenlit the film. But in order to make this happen, the conversation started with all the different stakeholders over six months ago. We had to drill down into what every producer and production company in each of those countries needed and match that with the U.S. equity and run through permutations and combinations of how the deal would work.



HOW DOES “SOFT FUNDING” FACTOR INTO YOUR CO-PRODUCTIONS?

In the European context, that term is usually used to describe government funding bodies. For instance, in France there is the CNC, which gives us the Aide aux cinémas du monde (ACM), which is a French government fund that gives somewhere between 75,000 euros and 150,000 euros for first and second features. They have one section for that, and then another section for more established filmmakers. There's a lot of these funds that exist in different countries. For *The Cow That Sang a Song About the Future*, we had a few different funds out of France, we had the World Cinema Fund (WCF) out of Germany, and we had a big fund out of Chile. Those government funding bodies are how films get made in those countries. Understanding how that gets converted into a local producer's equity in the film is how the European producers or the Latin American producers generally operate, and structurally, understanding that does take awhile. It's something that I've been really training myself with during my time on the festival circuit. Understanding that has helped me educate investors and equity financiers about structure, and once I can showcase how a project would get structured, that's up to them if they're interested in investing.



Shrihari Sathe
on the set of
Screwdriver in
Palestine



HOW LONG DOES IT TAKE FOR A PROJECT TO COMPLETE THIS KIND OF FUNDING CIRCUIT?

It takes awhile. For instance, if you apply to Aide aux cinémas du monde in France—let's say you apply in March—you move through the different stages, and you don't really get the money until December. That is if everything goes according to plan. The timelines for the European funding structure or international co-production structure are fairly elongated, but that's not to say that just equity investment can happen overnight; even that can take

awhile. There's a film I just finished shooting where we were trying to raise the money for nearly a year and a half, and then the pandemic happened, the stock market crashed, and some of the investors we had on board decided to take a step back. But as a producer, I can't be like, "Oh, I should also stop trying to raise money, because no one wants to invest in the film." So we had to go back to the drawing board and look at a slightly different structure to be able to make the film. With the European or the co-production financing model, it does take awhile—a minimum of six months, probably closer to a year and a half or two years, for some projects.



DO YOU WISH THERE WERE MORE GOVERNMENT FUNDING IN THE U.S. FOR INDEPENDENT FILM, OR DO YOU PREFER USING PRIVATE EQUITY?

Both are quite essential. Just having one system of putting an independent film together might not be the best way to go about it because then there are gatekeepers. With equity, you're not really tied down to a particular person's mission or a particular government body's mission statement. It's pretty open-ended. I think a combination of the two is quite crucial. In the U.S.,

“WITH EQUITY, YOU’RE NOT REALLY TIED DOWN TO A PARTICULAR PERSON’S MISSION OR A PARTICULAR GOVERNMENT BODY’S MISSION STATEMENT. IT’S PRETTY OPEN-ENDED.”

the state tax credit system is great. It allows a lot of films to be made. What's needed very much in the U.S. is funding for development. Right now, only a few nonprofits are providing screenwriting grants, packaging grants, and development grants, whereas in Europe the government bodies and state institutions provide that funding. That's needed to help filmmakers from marginalized communities who might not have access to resources, might not be independently wealthy, or might not have the equity reach in order to be able to tell their stories.



YOUR FILMS OFTEN EXPLORE THE INTERSECTIONALITY OF THE AMERICAN IMMIGRANT EXPERIENCE. DO YOU FEEL LIKE THERE'S BEEN A RISE IN THESE STORIES REACHING AUDIENCES RECENTLY?

One film I'm putting together, called *Backseat*, is about a Romanian immigrant and mother of two who must work through the American system to get custody of her children back; it's the first fiction film written by Lana Wilson, who made the Taylor Swift documentary *Miss Americana*. The film is looking at what it means to be an American, but also what it means to be from a different culture and be a first-generation immigrant to the U.S. It explores how someone who is coming from a different culture needs to navigate

and understand American culture as an adult. It's looking at the intersectionality of being non-American and American at the same time. The other film that I'm currently raising financing for is a film called *Fight* with the writer-director Musa Syeed. We're looking at the Arab American community in the Michigan-Ohio area, and looking at what that experience means in terms of the perception of Islam in the global media. I'm happy to see that financing is opening up to these stories, but I think a lot more needs to be done for there to be an accurate representation of what America is.

The audience was always there for stories about the immigrant experience or stories made by immigrants. Now the powers that be are more willing to make those movies, so there is content for this audience to consume. That's why I like films like *The Farewell*, *Minari*, and *Farewell Amor*. They're able to get that critical acclaim, but also get that satisfaction from an audience perspective, as audiences consume stories by people or about people who look like them and have similar experiences. The part of the industry that's changing is really great, but a lot more is needed. One or two films are not going to cut it. The drive to make and finance more films made by minority filmmakers should continue and is definitely the need of the hour. These are the kind of films I'm interested in making, that I am making, and that despite all odds I will continue to make. ■