

## **Abstract**

*Debt swap is exchange or conversion of debt, either in the form of loan agreement or securities, with a new debt contract. Many developed countries assume that debt swap only benefits the developing countries. Many developing countries also assume that debt swap is a form of political intervention from developed countries. Germany is the first country who gives facilitate debt swap program to Indonesia. Debt swap program between Indonesia and Germany mostly focus on education sector than environmental sector from 2000 to 2013. It's seen from the shift in focus from environmental sector into education sector on the first debt swap in 2000, then, on the third debt swap in 2004 and on the seventh debt swap in 2011. This paper, discusses about opportunities to reach benefits and interests between Indonesia as a recipient and Germany as a donor on the debt swap shifts from environmental sector to education sector.*

**Keywords:** *agreement, Indonesia, Germany, shift, debt swap, environmental, education.*